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BULGARIA

Roundtable Discusses Preparations for, Responses to Disasters

22000112 Sofia GRAZHDANSKA OTBRANA in Bulgarian May 89 pp 1-3

[Roundtable discussion; materials prepared by Dimcho Dimitrov and Andrey Vasilev: "Rescue From Disaster or a Discussion on a Difficult Topic of Ours"]

[Text] Undoubtedly the topic is difficult. Especially when considering its practical dimensions. Yes, how can we survive a disaster? More specifically, in critical situations occurring under ordinary peacetime conditions, and even more specifically, in tragic cases of earthquakes or large scale industrial accidents. Of course, no normal person could wish for such disaster, but what if it happens in spite of all?... Are we ready for protection, self-protection, and action? is the most important, determining, and at times even fatal factor. That is, have we accomplished enough so far, what have we missed, and how can we implement it in daily life sooner? What about the problems!

Perhaps we should start by approaching the topic as if an inevitable disaster is upon us.

The group of participants is representative of the level of the discussion, which has acquired the form of a press conference: Colonel General [equivalent to Lieutenant General in the USA] Tsofo Tsofov, Chief of Civil Defense and Vice Minister of National Defense; Prof Nikola Todoriev, corresponding member and president of the Energetika [Power Engineering] association; Stefan Staynov, architect and chairman of the Committee on Regional and Urban Development; Major General Goran Todorov, Chief of the Oblast Military Headquarters in Mihaylovgrad; Nacho Slavov, vice president of the Devnya SO [Economic Trust]; Mancho Manchev, chairman of the Obshtina People's Council in Chirpan.

The Setting

Representatives of central and periodic publications are gathered in one of the TsDNA [Central House of the People's Army] conference rooms. Documentary films of earthquakes and major industrial accidents are being projected on the video screen. The commentary is emotional: "Tragic, even horrifying scene! Really, what is this cruel, even annihilating energy of the enraged Earth? Is the allegedly omnipotent man helpless when confronted with a calamity of the elements? What are we, as people, victims or fighters?" And then: "Avaria! [from Italian for damage. Used in Bulgarian to mean a major disaster] A foreign word which in translation to the Bulgarian language means very difficult economic, social, and political aftermath. Not only the destruction of irreplaceable material valuables, but also priceless human life, extinguished within minutes, seconds

even..." Lyuben Lachanski, leader of the meeting opened the press conference on this emotional background:

"What caused this discussion? Many things, but above all the accidents occurring at some industrial toxic substances plants, the tragic lessons from Chernobyl and in Soviet Armenia and the two Strazhitsi in February and December, 1986. And also the concern: Are we ready to confront disaster? I think we should first hear the chief of Civil Defense of the Bulgarian People's Republic: Comrade Colonel General, would you give us a short description of the most probable critical situations?"

"Our country is not insured against similar misfortunes. In spite of this, we are required to prevent them or, if this becomes impossible, to at least decrease their negative consequences. Seismological analysis shows that 98 percent of Bulgaria's territory is within regions of seven or higher magnitude. After the destructive earthquake in Chirpan in 1928 there has been a relative quiet followed, however, by active seismological phenomena. In addition, we have periodic floods along the Danube river valley and other rivers along the Black Sea. Snow storms and icy conditions not only paralyze the entire daily life of the country for a certain period of time, but also lead to significant losses for the national economy and even claim lives. It is sufficient to mention the disaster on 3 and 4 February 1986, when our energy supply system failed as a result of a heavy snow storm accompanied by high winds and low temperatures. Nine hundred and thirty populated areas were left without electricity and 720 without water. Total losses amounted to about 60 million leva, and that is only for the 2 days the disaster lasted. Large scale industrial accidents, as unpleasant as they are, seem to accompany our economic activities constantly. The accidents and fires in Zavod-2 [Plant-2] of the chemical combine in Devnya in April 1986, in the Mihaylovgrad Montana Plant, in Alen Mak [Scarlet Poppy] in Plovdiv where 30 people died while damages surpassed 100 million leva, resulted in especially difficult economic, social, and political consequences. Of great concern are some areas of the national economy which harbor significant amounts of chlorine and ammonia because in case of an accident, large contaminated area with deadly and destructive concentrations will be created which will affect great parts of the population. That is, if the necessary measures are not taken...[no end quotation marks as published]

It is precisely these realities that define the Civil Defense's substance and functions in protecting the population and the national economy. The activities which are implemented are distinguished by their elevated social and practical significance; they become a top priority task for all managers and administrators, and mass communication media.

Dialogues Charged With Hope and Concern

Journalists and other specialists participating in the discussion have the floor...

Yordan Granitski, representative from the daily *VECHERNI NOVINI* [Evening News]. The question is for Comrade Staynov: "How does the Committee for Regional and Urban Development exercise its rights and functions for the proper distribution of those types of enterprises which produce toxic and hazardous by-products? In addition, I am also interested in the condition of Sofia, not only the country as a whole."

Architect Stefan Staynov: "We have established a good regulations system, but I am not going to enumerate the documents now, I will talk about substance. Before confirming plans for urban development activities, they are discussed in detail and examined by experts to ensure strict adherence to regulation requirements. If deviations are allowed in practice, in spite of the measures taken, then one of the foremost reasons is precisely a deviation from the regulations themselves! It is a pity because we pay mighty dearly for them in case of natural disasters and accidents. Why? Because the present system of regulations is already outdated which, as any other like it, even if perfect, cannot last more than 40 years. There is no need to hide the fact that in cases where centralized administrative methods and voluntary intervention were used also led to impractical distribution of some projects in the capital city as well as all over the country. What are we doing to prevent further violations? By a special act of the Council of Ministers, some radical measures were adopted and already there is substantial change in implementing production programs and technological improvement of enterprises which produce toxic and hazardous substances in Ruse. Some individual productions will probably be discontinued. Actually, funding should have been stopped 10 to 15 years ago according to urban development plans, but the managers did everything possible to prevent it. In any case, the decision will be implemented! There is a new policy for other cities such as Stamboliyski, Razlog, Pernik, Dimitrograd, and of course, Sofia. What is the situation in the capital city? There are entities here which with their production and accident potential are a threat to the environment and cause damages. I can give as an example one of 'the most resistant phenomena,' which is the Elektrometal plant. This enterprise 'cleverly' avoids transfer out of Sofia by changing the plant's name and by changing partially the type of production, and so now we are up to the point of issuing a categorical decision with only one alternative and that is to transfer the enterprise out. I would like to emphasize that it is impossible to rely solely on urban development distribution. We are now at a stage of development where the responsibility of local state organs is greatly increased and they must exercise their rights by formulating updated requirements for every economic activity on their territories."

Chavdar Krumov from the *POGLED* [Look] newspaper: "My question is for Professor Todoriev: What improvements has your association made to increase the reliability of electric power plants and electricity distribution systems? And to what degree is this reliability guaranteed?"

Corresponding member Professor Nikola Todoriev: "Perhaps I should state at the beginning that some of the lowest quality coal in the world is mined in our country. But what can we do? It is all we have! Yes, but with the burning process a great deal of harmful components are released as well as higher than normal toxic gases. Some of our large mountain cascades are located in areas of high seismicity. So that there is hardly anyone who would dare exclude completely any natural disasters or accidents. This is so with nuclear power. I would like to point out, because some true things are said as well as all kinds of rumors are spread, but I am saying responsibly that some extraordinary safety measures are taken at the Kozloduy AETs [Nuclear Power Plant]. It is more than 20 years since the first part of the plant was constructed when the seismic conditions were different. Immediately after the change and especially after the earthquake in Vrncha, a great deal of additional work was done to improve the old part. The reactors, steam generators, and other first line equipment were especially reinforced with powerful shock absorbers. Also all pipes which would break in case of an earthquake were reinforced. The new earthquake, again in Vrncha, showed us that the Kozloduy AETs withstood the practical test. The automatic system which disconnects reactors consistently without personnel intervention in cases of shock-waves greater than six on the Richter scale functioned flawlessly. Naturally, after the 'incident' the reactors were connected again automatically. New measures were taken after the Chernobyl accident. We follow every new development in the world and react immediately. It is true, however, that there will be some very difficult consequences for the entire economy if the Bulgarian electric energy system fails suddenly. For this reason to protect the power system from failure when the 1000 megawatt capacity is discontinued, a 750 kilowatt electric power link was constructed directly from the South Ukraine AETs, which can give us emergency help to guarantee this way safe functioning of our electric power system. The reliability of the nuclear power plant under construction in Belene is significantly higher."

"New solutions are being sought to decrease the harmful effects of icy weather, high winds, and low temperatures. Together with meteorologists we choose the pathways, taking into consideration wind patterns going back many years; electricity line poles are reinforced additionally, practical ice melting experiments are conducted... And in spite of all, an absolute guarantee that the electricity lines will not be broken simply does not exist! Not here, not anywhere in the world. Good organization is needed above all. Reserve warehouses for materials [are needed]. Accident teams to act before people even note the icy weather or other such event [are needed]. And one more thing is needed: continuous specialist education and adequate training to deal with accidents!"

"My name is Stoyan Bonev and I represent the *TRUD* [Labor] newspaper. My question is for Professor Staynov: Is there anything new in the field of earthquake-safe construction here? And would you share with

us how we should regard a catastrophic earthquake; only as an unavoidable tragedy or not?"

Architect Stefan Staynov: "Dividing the country into seismic regions is new. Also the regulations for planning buildings and facilities in earthquake prone regions [are new]. All this is a result of serious research, combining the efforts of Bulgarian and foreign specialists, using world experience. The attitude of the personnel has also changed. Solid construction is now done according to so-called industrial systems, not with ready made units. Of major importance is the government's decision to limit the number of floors per building using a geometric progression according to decreasing seismic risk. There are some old things which sound new, however, and increase building safety. I am referring to increased state control of other activities with the same purpose. How should we regard a catastrophic earthquake? Well, like a pure natural disaster, which according to the magnitude of damage can become a tragedy, even a national one. We, however, must cultivate the understanding that similar misfortunes will happen in the future, but we must be prepared for practical action... (Statement made by Colonel General Tsotsov: 'Let us get ready without formalities!') Yes, this is most important! In any case, man is not just a victim, he can resist..."

Andrey Rangelov from the GRAZHDANSKA OTBRANA [Civil Defense] magazine: "Actually Professor Todoriev already spoke about improvements, but I would like to ask for an addition: What other practical measures do you take to increase the electric power system reliability?"

Corresponding member Professor Nikola Todoriev: "What can I add? Above all about the decisive role of the personnel, because it is known that only knowledgeable and able people can avoid gross errors. Can you imagine what could happen if such error is permitted in a single nuclear reactor? Our entire reliability and safety organization is related to this. You should not, however, get the impression that our power engineers never make mistakes. Sometimes we are slow in making decisions even in this area: practical measures. Stringency is increasing. For example, if an operator is absent for over 10 days he is not allowed to operate the block until he becomes readapted. And so on. Let us not even talk about the increasing technological requirements..."

Maksim Minchev from the NARODNA MLADEZH [People's Youth] newspaper asks: "Young people also participate in civil defense activities. For this reason I direct my question to Colonel General Tsotsov: What is the country's true readiness for action in the critical situations which we are discussing?"

Colonel General Tsotso Tsotsov: "What does true defense mean? I will start with a well organized and equipped warning system in the case of a threat; ensure full supply with individual means for protection; trained organs, forces, and means with a high degree of readiness

for rescue and other urgent matters; sufficiently knowledgeable and able leaders, workers, employees, and people. Panic should not be allowed; there must be firm leadership and unified, organized action. This assumes preliminary plan evaluation, and provisions for all units and the population for action in a critical situation. Much has been accomplished. Local warning systems in the most endangered regions have been built, special breathing masks are being manufactured which will guard against chlorine; the construction is being tested to be used for protection against ammonia. Recently we met with Dr Petko Danchev and decided to do everything possible to develop a breathing mask with comprehensive protective properties. New plans for action in cases of natural disasters and major industrial accidents are being implemented. Training programs and methods for the units and population are being improved. We hope there will be a greater participation of departments and managers of all levels so that our efforts for true defense of the country will give better practical results. And what is related to the capabilities of national economy sectors to localize accidents to protect workers and employees from toxic substances. I can say in general, that priority is given to the most endangered places. Additional engineering, technological activities are carried out to increase the resistance and the possibilities to conduct rescue and other urgent work. And so on..."

Colonel Ivan Milanov from Bulgarian Television: "Comrade Slavov, what are you doing to prevent repetition of the accident in Devnya?"

"Excuse me, may I add to the questions? By the way, let me introduce myself. I am Simeon Dimitrov from Bulgarian Radio. I am interested in: What are the most general reasons for the occurrence of similar accidents and what is being done so they do not happen again? My question is again for Comrade Slavov."

Nacho Slavov: "The risk in chemical plants is based above all on the character, the nature of the processes. Large quantities of energy are released and absorbed under conditions of high temperatures, pressures, and velocities. Most chemical processes break down or synthesize hazardous, toxic and explosive substances. For this reason, it is the duty of every manager, and every worker to analyze risk factors even in the most inoffensive looking situations. We believe that it is most important to eliminate precisely the very factors by seeking and choosing safer methods and work conditions. In the second place is the need for reliable equipment and strict control. The personnel has the deciding role here as well, whose errors cannot be neutralized at times. Our people work with maximum concentration, at times to the limit of their physical and psychological abilities. I think that along with these ideas, I mentioned some of the reasons leading to accidents. There are, of course, others. We do not have enough resources, basic repair materials, spare parts, and equipment; at times we are deficient in highly skilled personnel. Unfortunately, the situation cannot be changed quickly. We strive for such an approach where

in the first place people's safety is ensured with reliable equipment and installations. I hope that with time we will be able to implement our ideas and expectations!"

Rumyana Simeonova from the daily *RABOT-NICHESKO DELO* [Workers Cause]: "Comrade Manchev, I do not wish to remind you of the horrible memory of the Chirpan earthquake in 1928, and so I will ask you to tell us how is earthquake-safe construction controlled in your obshtina? With examples, of course!"

Mancho Manchev: "According to the latest seismological map, our obshtina went from 8th to 9th level and this requires new measures in earthquake-safe construction. Besides this the older people in Chirpan remember the tragic 1928; the memory of the catastrophic destruction is alive. So that the question asked is especially pressing and important to us. The obshtina's control starts immediately after accepting the projects and continues at the construction sites. I will answer outright, yes, there have been cases of attempts to circumvent regulations! For example, when an apartment building was being constructed 2 years ago using large panel construction, some violations of the earthquake safety regulations occurred! A number of welding jobs were not completed because of management incompetence. Construction was stopped until the omissions were corrected. That is, of course, after the State Inspection for Engineering Control did a full evaluation and permitted continuation of construction. There are other, lesser violations, mainly in construction using local resources and materials. The future owners of the house always try to economize on cement and fixtures without paying attention that this could cost them their lives, the lives of their children and loved ones!

"How do you react?"

"To avoid similar violations, a bureau was set up in Chirpan to provide services to the citizens related to construction using local resources and materials. Appropriate advice is given, as well as control. In short, we do not allow approval of any buildings within the obshtina's rayon unless all earthquake safety regulations are followed!"

Hristo Yosifov from the *UCHITELSKO DELO* [Teachers Cause] newspaper asks: "Comrade Major General Todorov, what is being done to prepare the population and especially school-age children in the Mihaylovgrad Oblast? Because many of them could find themselves in a disaster situation, such as say, a fire like the one in the Musala hotel where the foreigners had no casualties and we did..."

Major General Goran Todorov: "Large industrial sites are found on our territory which work with toxic substances; within the oblast's borders is the only, so far, nuclear power plant. For this reason we build shelters, provide school-age children and the population in general with individual means for protection, and update plans in a practical way. Our fundamental duty is to prepare the people for protection, self-protection, and

action in a critical situation. Lately, the oblast administration and plant managements have been regarding these issues much more seriously. The responsibility for conducting training sessions has increased. Here is an example. Training sessions for use of children's protection chambers were conducted with the teachers and some mothers in all children's institutions around the beginning of this year. The situation with the institutions of higher learning is the worst because the necessary responsibility and interest in civil defense are lacking and training is on a low level. We emphasize comprehensive studies and accelerate practical training of the population and formed units. In general, we strive to respond to the high requirements, but we still have not overcome some serious omissions."

Petur Petrov from the *ZEMEDEL'SKO ZNAME* [Agrarian Flag] newspaper: "I am a reserve officer and active military historian. I know Comrade Colonel General Tsotsov well and am familiar with his high requirements, so I will ask him a somewhat 'more military' question, but one nevertheless closely related to civil defense: What is the actual condition of the organs, forces, and means for conducting rescue and other urgent work?"

Colonel General Tsotso Tsotsov: "An appropriate and very interesting question, comrade Petrov, I will try to answer, even though it is a little difficult, given the short amount of time I have at my disposal. As you know, peacetime forces for civil defense consist of staff, conscriptees, and unit formations which become active in the case of possible accidents and natural disasters, and work through sectors of the national economy. Still they take too long to become active and this does not satisfy us. Not just us, they are unsatisfactory for the reality! Their structure and equipment and material supply are also unsatisfactory. No reason to hide the fact, it is true, that at the present time our peacetime unit formations are not capable of carrying out large scale rescue activities in a complicated situation. We lack specialized mobile units in the most endangered regions. The capabilities of ministries, departments, economic and especially construction organizations which have equipment and ability to form mobile teams and carry out tasks successfully in the case of a disaster are used inadequately. Supplying them with additional equipment is expensive, while available equipment is not used fully. Modern equipment and material supply is on a low level. I am referring to modern equipment for dosimetry, quick chemical analysis, methods for finding people buried under ruins... There is a great need for heavy engineering technology and equipment for carrying out localization and decontamination work. The underestimation of these and other civil defense issues on the part of some managers is intolerable. The most important task is to improve organization according to present realities. It is more than necessary to complete the formation of permanent commissions in all administrative organs. Let us improve the quality of practical work

and training. Without any formalities! This is the most important thing now; without it we will not reach significant accomplishments..."

The End Is a New Beginning

The discussion has ended, but the excitement continues in the room and in the hallway. The journalists comment, compare, and ask one another. The meeting's leader is right: "The least thing we were aiming for, more exactly, what we were not aiming for at all is to scare people with the merciless, at times even fatal consequences of a natural disaster or accident. We should not be afraid, and we should not be overly reassured either, but we must be ready!" The end of the press conference actually turns into a beginning for new hopes and now concern for protection, self-protection, and action of the population in case of a possible critical situation. For our individual survival, for the survival of our loved ones, for our entire nation!

Computerization of Sofia Municipal Services Described

22000087 Sofia IKONOMICHESKI ZHIVOT in Bulgarian 14 Jun 89 p 10

[Article by Candidate of Economic Sciences Rumen Vurbanov and Krasimir Mitev, automated control systems specialist at the Serdika Municipal People's Council, Sofia: "Parameters of Management Automation"]

[Text] Ever more clearly the municipalities are developing as an important link in the social management system, where the basic self-management principles are beginning to be applied at full strength. The municipal managements are being granted new rights related to the economic development of the territory, the urbanization of settlements, providing optimal conditions for recreation and full employment to the population, implementation of a unified investment policy, and involving the working people in the process of the discussion and resolution of all more important problems of the territorial community. Under these new circumstances the role of information becomes exceptionally great as a resource of strategic significance to the activities of the people's councils. Everyone realizes that the implementation of the new tasks of the municipalities will largely depend also on the pace and scale of the application of contemporary information equipment and technology in the activities of the people's councils. Some experience exists in this respect but currently the need for taking into consideration one of the most typical trends in the field of management automation is becoming increasingly obvious: conversion from the automation of individual operations, functions, and tasks to the development of integrated data processing and storage systems. In practical terms this is manifested in the installation of multifunctional automated work places (ARM), and the use of electronic means of communication and development of computer terminals which would give the end

consumers efficient means of conducting a dialogue, using the resources of the system.

In this respect interesting experience has been acquired by the Serdika Sofia Municipal People's Council, in which conceptual clarity has been developed and encouraging results have been achieved in the area of automating information support. The council uses a local computer network (LIM) of the Ethernet model, which connects with a coaxial cable 15 16-byte personal computers and various peripheral devices. A data distribution base has been organized which, in accordance with the main functions of the municipal people's council, covers four basic databases: "Population," "Enterprises," "Territory," and "Nomenclature-Referential."

From the functional viewpoint, the "Population" database is directly related to the administrative services provided to the population and other socioeconomic functions, for which reason it is considered the most important. It combines the following local databases (LBD): "State of Housing," "Finances," "Bookkeeping," and "Social Patronage," which store information on relations between the citizens and the municipality, based on the various specific characteristics. The local databases are developed with the help of the Microfile/16 database management system (SUBD), 2.0 version (a functional analogue of database III Plus). This homogeneous nature of the SUBD makes integrated coverage and data storing convenient.

The "Housing Status" LBD is fed information from the files of citizens needing housing and renters of state housing facilities. It is structured and maintained with the applied software systems "Housing" and "Rental From the State Housing Facilities."

The "Finances" LBD sums up information on financial relations between the citizens and the municipality, i.e., accounts receivable by the state, insurance and fees from private transportation facilities, and fines. Data are kept and updated with the "Taxes and Fees From the Population," "Insurance and Fees From Motor Transportation Vehicles," and "Citizens' Writs of Execution" software systems. These applications make it possible to retrieve from the database daily, weekly, monthly, and annual information on the taxation revenue and income of the Serdika Municipal People's Council from taxes, fees, writs of execution, and other state charges levied taxpayers, financial agents, inspectors, and the municipal people's council.

The "Bookkeeping" LBD deals with information based on correspondence, complaints submitted to superior organizations, and petitions submitted by citizens during the receiving days of the executive committee and the instructions issued to the people's councilors. Data support comes from the subprograms "Unified Bookkeeping System," "Citizens' Complaints," "Receptions by Members of the Executive Committee," and "Instructions by Voters." The main problem which must be solved with the development of this database is control

on several levels: by registration, time of implementation, performer, and closing the correspondence. The purpose is to eliminate a large percentage of weaknesses in tracing the progress and control of correspondence.

The purpose of the "Social Patronage" LBD is to register data from the files of all people who are under the care of the municipality. Without summing up a large flow of data, it services the rather delicate activity of the municipal people's council.

The "Enterprises" database includes enterprises on the territory of the municipality, the development of which determines the aspect of the municipality. It combines several LBDs which reflect through their information the various interrelationships between the enterprises and the municipality, as follows:

The "Economic Indicators" LBD stores and updates information on the planned and actual values of the qualitative and quantitative indicators of enterprises, which makes the assessment of their condition possible;

The "Exports" LBD is based on the results of the implementation of the foreign exchange program by the economic units. It includes data on the expected and actual results of export activities;

The "Technological Updating" LBD sums up data from the plan for enterprise scientific and technical progress;

The "Income From Enterprises" LBD stores information on the issuing of the initial plan for income, its updating, and accounting by item and enterprise.

Each one of the indicated databases is created, updated, and supported by similarly named applied program products.

The territory of the municipality, along with its buildings and communal, trade, engineering-transportation, and other systems is another target of special attention of the municipal authority. Information support for decisions made concerning urbanization, and construction and other measures related to the municipal territory calls for developing the "Territory" database. It includes data from the land registration, communal-transportation, and urbanization plan of the municipality. Its organization has not been completed as yet and covers only two LBDs: "Commercial Projects" and "State Housing."

The "Nomenclature-Referential" database covers lists, classifiers, and codes used in developing and maintaining the other three databases. It includes the "Uniform Classifier of Enterprises, Organizations, and Establishments," the "Unified Classifier of Settlements," "Unified Classifier of Manpower," the nomenclature of unified civil numbers, etc.

Local databases for individual jobs provide information support to the servicing units of the council. They include data on the status and dynamics of the personnel of the municipal people's council, the organization and

bookkeeping for payrolls, resolutions adopted by superior authorities or the executive committee of the council, etc. Maintenance and management are provided by the "Cadres," "Wages," "Control Over Resolutions," and other addenda.

The study of achievements in the area of automation of managerial labor in the people's councils makes some basic conclusions possible.

First, in several respects the efforts of the municipal people's councils in the field of automation are amateurish. We notice the lack of methodical clarity and of an overall concept concerning the scope, functions, and means of building and development of an automated information system and, in particular, of its subsystems, tasks, and information bases. As a result, different technical solutions are reached on the use of services of the IST TTK for individual subsystems, the equipment of the personal computer center on the basis of minicomputers, the use of ARM on the basis of microcomputers in solving unrelated information tasks, or unifying the individual ARM in a local computer network.

In terms of information services, let us add the lack of the necessary organization of interaction among the individual units within the governmental management system (State Council, Oblast People's Council, Municipal People's Council, and Mayoralty) and their ties with other systems, horizontal and vertical. For that reason, the need for shedding light on the approaches, methodology, organizational structure, and interconnections in the automation of office activities becomes increasingly pressing. In turn, this can be accomplished only by clarifying basic problems, such as the organization of interaction among automated systems on the level of the oblast people's council and the municipal people's council on the level of the economic organizations and companies in their respective territory, and the approach to the organization of the distribution base of data, the organization of communications, and data exchange within the framework of the automated systems for the management of the territorial unit (ASUTE).

Second, some serious problems exist related to the reliability of technical facilities, services, and the choice of the system and applied program support in the course of automation of municipalities. The technology for the gathering, processing, and storing of huge arrays of information (such as those of the oblast people's council) requires high reliability and safety of technical facilities. In practice, currently the technical equipment used by the people's councils is essentially of Bulgarian manufacturing. This is the reason for problems of the insufficient reliability of the micropipherals (low diskette capacity, low reliability of external memory systems, lack of quality printers, and unsuitable configuration). The services which are provided are still not satisfying the requirements of the consumers. This is due to the lack of spare parts and skilled specialists, as well as the long time taken in providing services, not always at the convenience of the customer, and the high prices. Many of the

necessary high speed telecommunications facilities are still not being produced in our country, thus hindering the development of long-term integrated high quality projects. Ensuring the necessary reliability and suitable working conditions could be achieved by purchasing technical facilities with foreign exchange from nonsocialist countries which, however, is not within the possibility of the people's councils. There is a great deal of criticism of the systems and applied program support.

Third, the most essential prerequisite for the efficient use of contemporary information equipment is the high quality of training of the personnel which handles it. We must take into consideration the fact that computer training for nonspecialists is a continuing process, a structural component of their labor duties, requiring constant efforts. Since these are additional efforts in this specific work environment, it is entirely natural to raise the question of the material incentive of people who work with computers. It would be expedient for the training to be organized mandatorily under realistic circumstances and to be differentiated in its second half according to the various groups of consumers in the people's council: commission chairmen, heads of areas, chief specialists, employees, and technical personnel.

Fourth, the acquired experience indicates that solving problems of automation of information support is not a one-time act but a continuing process which requires a systematic analysis, project studies, significant financial expenditures, a clear strategy, and highly skilled specialists. In our view, it would be expedient to develop for this purpose a specialized unit within the people's council to deal with the management of information resources. Its structure and size would depend on the scale of the council. However, it must mandatorily include a few very well trained program designers and an LIM administrator. The executive functions of the unit should be clearly regulated and reduced to the following: systems analysis and evaluation of the existing organization of activities; formulation of a strategy in the field of automation; drafting projects for the implementation of new and advanced technologies and ways to work; tracing information flows and document turnover with a view to making specific decisions on computerizing activities and areas in the council; studying the possibility of technical facilities and of systems and applied program support for the choice of means for solving the problems; participation and management in the formulation and application of automated information systems; training people who work with technical facilities and systematic and applied program support.

Since in practical terms such activities mean implementation of an overall coordination and management of activities in the field of automation of management, it is this unit that must assume its suitable place in the administrative structure of the council.

HUNGARY

Sociologist Calls on New MSZMP To Become 'People's Party'

25000276 Budapest TARSADALMI SZEMLE in Hungarian No 5, 1989 pp 3-10

[Article by Attila Agh, sociologist and consultant to the MSZMP Central Committee's Party History Institute: "From the MSZMP Toward the Hungarian 'People's Reform Party'"]

[Text] The emergence of political parties—in the sense of their efforts to organize, draft programs and recruit members—has accelerated considerably since the beginning of 1989. In the near future, during 1989-90, this process will foreseeably produce a completely new, more or less developed, "consolidated" model of society's political segmentation. Society's new political map, together with a state of open and organized political competition, will pose drastically different conditions also for the MSZMP [Hungarian Socialist Workers Party]. It must prepare for these conditions by launching its own reform, and simultaneously by transforming itself into a reform party. Here the MSZMP will have to take into consideration first of all the changes in its class base of support, and the modern political parties' new role as centers for integrating the general interest of all the people. This makes it obvious that the MSZMP can expect to succeed in politics only if it decides to become a people's party. Since the May [1988] party conference, the MSZMP membership has been articulating more and more loudly, and also with increasing frequency, its demand that the MSZMP transform itself into a reformist party, but no significant progress was made in this direction prior to February 1989. Naturally, the point here is not the party's name—although it would be more appropriate, and perhaps also more appealing, to call our party a "workers' party," rather than a "people's party." The point is that, without its own internal reform, the MSZMP will not be able to play its role in the nationwide reform process, either.

Party Crisis or Reform Party Renewal?

The May party conference was the turning point of democratic change, of the transition to democracy. It clearly formulated the need to end the monopolistic exercise of power under a one-party system, but without stating unambiguously the need for, and outlining the modes of, the pluralistic exercise of power under a multiparty system. In other words, the May party conference scrapped its own program, but without going into labor and producing, either immediately or in the next month or two, the basic theses of a new program. Quite the contrary: The party leadership made many conflicting statements regarding its assessment of the party conference during the political interval of without a program, prior to the session of the MSZMP Central Committee on 10-11 February 1989. Probably and hopefully, this "February policy direction" will budge us from

the present standstill and move us out of the political vacuum of no program, toward becoming a reform party. For our responsible political leaders have been saying with increasing frequency since February that our party must become a party committed to reform, and must formulate its program in that sense as soon as possible.

The period from May 1988 to February 1989 was the phase of a system of "two half-parties" that followed the one-party system. After the half-turn of the May conference and due to the absence of further steps, the MSZMP itself was unable to function as a full-fledged party. In many respects it merely drifted with the tide, trailing the events and reacting to them, sometimes with delay. But the MSZMP was not really able to show any initiative. The paralyzing effect of continuity could still be felt in many ways, while politics changed drastically: The pace of events in conjunction with the formation of political organizations, parliament's activity and civil society's animation accelerated remarkably. At the other pole of society's political spectrum there appeared a political organization, the Hungarian Democratic Forum, which temporarily became the catchment and general framework of all independent—alternative or dissenting—political aspirations.

This political organization deliberately donned, but now seems to want to shed, its "half-party" character. In other words, it did not start off initially on the actual road to organizing itself as a political party; rather, it retained its looser organization, its programmatic and "coalitional" nature. This was very probably the secret of its rapid success during the political vacuum. But this could also prove its barrier as the the system of two half-parties disintegrates and the emergence of political parties accelerates, which has finally caught up also with the MSZMP, in addition to the now organizing "continuity parties" (the MSZDP [Hungarian Social Democratic Party], the Smallholders Party, and the Peasants Party).

We must not fear the idea of a party crisis. We have feared it long enough, and have paid a heavy price for doing so. After all, there can be no crisis-management program without a diagnosis of the crisis. The crisis of Hungary's society and economy was an open secret in our political life before the May party conference: Everybody knew of it, but it was not good form to bring up the subject. That is how we now treat also the question of party crisis. Which again means nothing more than the fact that the party, too, must transform and renew itself, parallel with the radical changes in the other spheres of society's life.

What we have to fear is not the fact of the crisis itself, rather, the possibility that further procrastination might lead us astray onto the byroad of a "paralyzing crisis," from the "creative crisis" that would lead to gradual renewal. Here we have to examine the main processes of the party crisis thought most of 1988, including the reasons why the first deliberate step was not followed by a second and third one. The party had promised itself,

and society, already in the summer of 1988 that it would start a dialogue with the newly formed "alternative" organizations, but in practice it did so only in February 1989. A party is able to formulate its program only in a nationwide debate. This is true especially of the MSZMP, because it must completely reform itself as the political forum for the representation and integration of society's interests.

The normal functioning of parties requires the simultaneous existence and interplay of at least three elements:

- A comprehensive, national program that provides meaningful answers to all essential, strategic questions of the given country, and is thereby able to politically "address" the country's entire population. If certain strata do not adopt the program for their own, it is still necessary that all the strata mutually accept each party's program as one of several possible and relevant political solutions in the country's life.
- A strong and effective political leadership comprising leaders with identities and distinct personalities, who possess considerable political capital that is familiar to, and recognized by, the entire population, including also the other political organizations. At the same time these leaders must be able to agree on the basic issues summed up in the national program; to credibly promote and embody that program before the entire population; to gain the program's acceptance by their own party; and to run the entire party organization efficiently, on the basis of its program.
- A wide social base that, in advancing its own interests, supports the party with its votes as a political formation for the articulation and aggregation of interests; in other words, as an effective political organization for the integration of interests. The core of this social base must be a large party membership that can also be mobilized directly on the basis of the program, and which accepts the given party leadership as its own, democratically elected, legitimate representatives.

These three elements were linked together fairly well in Hungary's development after the new start in 1957. From the mid-1960's on, however, a split within the party became increasingly pronounced, one that already foreshadowed the "preliminary crisis" at the turn of the decade from the 1960's into the 1970's. The political program's national characteristics and democratic socialist content became less and less distinct. Indeed, under the label of "working-class policy" that marked the blocking of reform, and in the spirit of state socialism, the program became more and more "ideological." It was increasingly evident that the old political leadership's firm, generational continuity had been retained after the 1957 consolidation; that young leaders of a new type were not emerging, and there was no succession in a political, rather than generational, sense. Moreover, the party's social base and confidence became considerably eroded as a result of the fact that, in the "2 + 1" model (workers and peasants, plus intellectuals), the

claim to represent the people's general interest was formulated in combination with a late 19th-century model of society, in which all strata other than the workers (of large-scale plants) were treated condescendingly, as tolerated fellow travelers.

The tensions in the program, leadership and social base increased time and again from the late 1970's on, and the root cause of the protracted crisis running through all of the 1980's can be identified as failure to respond meaningfully to the general crisis of the 1970's and to make structural adjustments. The party crisis of the 1980's culminated in the misguided policy direction set by the 1985 party congress. The May 1988 party conference was the belated criticism and discarding of that policy direction, opening a new phase of adjustment within the party and the entire country.

Concerning the MSZMP, the whole range of problems in the 1980's can be summed up as follows:

- The chronic absence of an adequate national consolidation program and, moreover, the significant burden of the earlier, misguided "ideological" program are evident also now in the confusion over a national action program and in determining the direction in which the party's transformation must proceed.
- It has become obvious that, even in the early 1970's, the former party leadership was unable to correctly assess the world situation and identify its principal trends, and that it forced its incorrect situation assessment and misguided policy direction upon the party until 1988. That led to a serious loss of confidence in the former leadership. That loss of confidence has been partially inherited by the present leadership and has widened into suspicion of all politics in general.
- The contradiction between the party's "worker policy" of the past and the emerging demand that the party transform itself into a "people's party" deteriorated into a near split that was evident in the dominance of the old-style production sector and their interest-representing organizations, and in the permanently excessive budgetary redistribution in their favor. This not only limited the wide range of subsidies for the population, but also caused dissension within the party membership itself. Labor interests of the old type were dissatisfied with the representation of interests; and general public interests of the new type, aiming for national consolidation, were dissatisfied with the change in policy direction.

From this summary characterization there follow also the minimal conditions necessary to overcome the party crisis, in all three respects:

- The formulation of a drastically new national program within the MSZMP cannot be delayed any longer. Although the first step in that direction has been taken in March 1989, a definite reform party has yet to emerge on the basis of a complete national program

that points beyond the present crisis and bears strong national and democratic socialist traits

- The party needs a leadership new in its image and thinking: leaders who do not make a fetish of continuity; who are able to satisfy the new requirements political competition raises, to rise above the obscurity of the "cult of impersonality" that followed the "cult of personality" in our country, and to do so at every level of party leadership, down to the village party secretary
- Mobilization of the party membership, by restoring its militancy, has become indispensable. As a result, the party membership will identify with the party's program and leadership. A prerequisite for this is to stress the party's people's-party character, through the party's profound internal reform and democratization

These prerequisites must be accompanied by the isolation of the party's conservative wing, and by open criticism of socialist conservatism. Only the consistent implementation of all this will make the party's new and effective operation possible and ensure the harmony of the individual elements: i.e., that the program, the leadership and the membership are well matched. Since the formulation of the "February policy direction" it is being said with increasing frequency that if the party drastically renews itself in the spirit of commitment to reform, then only those members will renew their ties with the party who themselves are willing to actively support the reforms.

New Party Program, New 'Program Party'

The essence of the reform party's renewal is that the party's new program and inevitable democratization must dovetail. When formulating the new party program, the leadership will no longer be able to continue the old practice of handing down the program to the party membership as the resolution of the party's governing bodies, and then calling for party unity. The touchstone of transition from the "soldierly party" that the ideological party programs presupposed, to a democratic and effective (in other words, operational) "program party," will be the replacement of framing the party program—as well as of the earlier, overcentralized policymaking processes monopolized by the party leadership, and of their communication channels for the flow of information in only one direction, downward—with a new decisionmaking process based on extensive debate within the party, which at the same time means the party program's labor pains will also require the party to renew its organizations and to find agreement between its leadership and membership.

The time of the "ideologically controlled" society and party, where the officially established and formalized state socialist ideology provided an outline for political action, is over. Of course, the party operating on the principles of democratic socialism needs an ideology, or a new model of socialism, far more than it did previously, because society and especially youths are haunted

by the specter of losing their perspective. Long-term perspectives, however, are able to provide only the general framework and basic parameters of actual action programs, but not the immediate tasks. In this sense we need to be a political party, rather than an "ideological" one. Because, as the party of all the people, we will have to craft a program that will not narrow by its ideology the party's social base of support. We are not living in Italy or Poland, where it is of fundamental importance for left-wing parties to come to an understanding with people of religious persuasion. Yet, in a state of intense political competition, the organization that identifies itself as a narrow ideological grouping, rather than a political "program party," would necessarily be at a disadvantage. Therefore it is only too true that the MSZMP must reassess and normalize its relations with religious people, if it wants to remain the party that determines the nation's destiny. And that cannot be done on the basis of ideological intolerance.

Here we actually would need to merely continue the opening, begun long ago, to religious people and the churches. That way the politicization of the churches and their faithful, their emergence as political parties, could be avoided. But this is possible only if we, while continuing the ideological debate on other levels, present ourselves in politics as real partners and seek unity on the political program's common points. The slogan "Whoever is not against us is with us," originally St Paul's words but a successful political formula also in our country, could be of decisive importance in advancing the opening further.

Orientation on real problems, and ability to devise an effective national program are the program party's essential characteristics. To extricate ourselves from the present trap of ineffective political management and no program, we need an internal party reform that will fundamentally change the mechanism for electing leaders and overseeing their activity, and will make the drafting of the program the entire membership's task. Stresses are already evident in how closely the membership identifies with the leadership, and in the "consolidation program" so often revised since July 1987, but never clearly summarized. Harmony or its absence could be critical in case of national elections.

We cannot fail to mention that Hungary's parliament has changed considerably. But the party's parliament, the Central Committee, continues to function for the most part the same way the country's parliament functioned earlier: as a "representative" body that, on the one hand, follows "statistical" principles in selecting its members, so as to reflect the party membership's composition; on the other hand, however, it is "corporative" in the sense of joining together the principal professions and special-interest groups. This principle of representation conforms to the logic of state socialism and of decisions from above, since the higher bodies directly represent the general interest. This model, however, is no longer applicable even within the party. In parliament we at

least have always had our "own" deputy who, in principle, is accountable, can be recalled, and has to report to his constituents. But party members, their locals and municipal district organizations have never had such direct representation. The May party conference demonstrated that the long dissatisfaction of the party members and apparatus with the elected bodies that lack oversight finally erupted into a landslide when the time to vote, the "moment of truth," arrived.

There has been much talk these days, and with reason, about the need to hold an extraordinary party congress. After a glance at the political calendar for 1989 and 1990, an extraordinary party congress appears simply inevitable, well before the regular party congress due to be held in 1990. In the present state of sharp political competition, after all, the party's renewal and response cannot be imagined any other way. It would be desirable not to have merely a session of the "enlarged" Central Committee fill this role. What is essential here, nevertheless, is not the question of an extraordinary congress itself, even if it turns out to be a debating session of delegates chosen on the basis of platforms. The problem here lies with the congress's extraordinariness, with the fact that the system of holding a congress every five years has become obsolete. A program party needs a nonritual, "working" party congress (or at least party conference) held annually, to ensure proper feedback among the membership, leadership and party program.

Annual congresses, of course, do not necessarily mean annual reelections as well. But they most certainly do mean the membership's activation, the articulation of its views, and its briefing on rapidly changing political developments. The oft-mentioned, and by now widely accepted, platforms are actually alternative programs based on the common policy direction. Only these platforms can ensure the program party's strength and dynamism, and its effective and flexible adjustment to the new situation. The platforms not only enable leaders to become known and to have distinct personalities, but also make that necessary and mandatory, so that the leaders may adopt definite and consistent standpoints on the more important issues that are being debated, and may thereby continually gain or strengthen the confidence of the membership. The membership, on the one hand, elects its delegates to the higher party bodies, in particular the Central Committee, and is able to follow the CC's [Central Committee] activities through the glasnost channels of the party; and, on the other hand, directly participates in electing the party's Politburo and general secretary because the membership cannot be expected to give its unconditional support to the Politburo and the general secretary if it does not have a say in electing them.

The modern parties of the second half of the 20th century are no longer class parties in the narrower sense. Rather, they are interest-integrating parties of all the people; besides representing the fundamental interests of certain classes, they also strive to rally entire society behind their program. That is why Western parties want

to occupy the "center" of the political spectrum, to call themselves "center parties" and to appeal to the overwhelming majority of the population. The "center party" designation would be unacceptable to the MSZMP, and it is even time to strengthen its leftist, progressive character. In the peculiar situation that now exists in Hungary, however, the MSZMP should attempt to address the population's overwhelming majority through a national program specifically from the center, and to mobilize the majority with a purely political message.

In the state of political competition, of course, we can expect all the parties and political groups to attempt the same thing, no matter how obviously provincial the orientation of the Peasant Party is, and how obviously urban the orientation of the Social Democrats, among the "continuity parties." However, the parties' efforts to occupy the center in this sense not only strengthens the political competition, namely on the same issues; it also provides an excellent basis for coalitional talks, for devising a joint crisis-management program, specifically with the center parties mentioned above. In my opinion, it is in the immediate interest of the MSZMP and of entire Hungarian society that also the other parties be already developed and established political organizations. Furthermore, that the individual parties be partners qualified to carry on negotiations, and that their behavior be predictable, making them mutually "manageable" players on the political scene, in a stable system that will evolve within a few years and will conform to society's political segmentation.

Political competition under these conditions makes possible the adequate political articulation of society's conflicts of interest, and their resolution through compromises. Otherwise the weak and badly organized parties would tend toward demagoguery and other extremes, and would not be suitable coalition partners or coauthors of sensible compromises.

The model of the party state—i.e., the bureaucratic, overcentralized, state socialist model of governing society—is not the only one to come to a dead end and become an obstacle to modernization. Along with it, the model of the state party has also become such an obstacle, although we tend to forget this. Yet, we cannot reform our entire political system if reform leaves untouched, instead of drastically transforming, the political system's very core—the party, i.e., the MSZMP. That now is also in the immediate political interest of the MSZMP as it competes with the other parties. From the viewpoint of public opinion, a central element of party reform will be how the MSZMP initiates and leads the transition to democracy. This truly requires that the party's reform wing expand into a reform center and become strongly organized, both socially and politically. This is already evident at present in the growing emphasis our party is placing on its being a consolidated party, on the joint significance of Communist and Social Democratic traditions and, within them, on the importance of public oversight of the exercise of power and the party leadership respectively.

In the spring of 1989 we already achieved bringing political change into the party and formulating the task. Practically every speaker at the Central Committee's 7 March 1989 session dwelt on the question of what the MSZMP is and what it wants to become. But to become a reform party of all the people and to function as the political organization that integrates society's interests, the MSZMP must first of all abandon the paternalism of the party state and state party, as well as control from above, and must determine how this should be done.

The statement that we are living in an interest-segmented society, or even in one sharply divided by interests, is now considered practically a cliché. Whereas, strange to say, the actual situation is the exact opposite: Under society's paternalistic management and control from above, there really are no interests. Neither officially nor actually, because within society there are no automatic and evident interests that surface by the force of nature and are adequately articulated in any case. If they have no way of being articulated, then actually interests do not even exist in their real essence, nor can they be represented and transmitted. They manifest themselves only as spontaneous forces in deep structures, destructively forcing a way for themselves, like torrents rushing down from the mountains after heavy rains or the spring thaw.

From the entire logic of state socialism's development to date it follows that today's Hungarian society is still unable to articulate its interests, because the economic, social and political levels and forms of the articulation of interests have been blocked, in the name of the general interest's direct representation or, we might say, in the name of its "dictatorship." The greatest danger stems specifically from this muteness, from the spontaneous and inarticulate eruptions of interests or anomic mass movements whose motive forces are the suppressed and now surfacing emotions, rather than recognized interests. Yet, certain political organizations, including also the MSZMP at present, still tend to keep formulating the general interest in their programs the way they see it, and not the interest that surfaces from below, manifests itself in sharp conflicts and, through the settlement of the conflicts, can become the basis of a real national compromise. The crucial question, the touchstone, is this: Should one tackle, fight to the finish, and settle the intensifying conflicts, or dampen them once again, and approach them from the direction of a national program as the presumed final result?

It is already a truism in Hungarian political science that the articulation and integration of interests is a very complex, multistage process in which a consensus, a reconciliation of interests, emerges from the conflicts fought to a finish separately at each level; at the next level the consensus again clashes with the similarly arrived at and reconciled interests of other social spheres.

It is not possible to cut short or skip this social dynamics of interests, and to prefer and borrow only the final

result. Already, in the name and spirit of the general interest's dictatorship, the MSZMP has embodied the permanent dominance of a series of monopolized partial interests, those of the mammoth organizations created by extensive industrialization, and the party has even incorporated their interest-representing organizations into its own internal hierarchy and decisionmaking mechanisms. Until this dual dependence on old-type interests ceases, substantively and in the composition of the party's governing bodies as well, the party will be unable to credibly advocate national interests, and to organize its ranks on the basis of a program based on the real world trends. Closer analysis, of course, could reveal the immediate connection between this dual dependence, on the one hand, and the characteristics of socialist conservatism, with its concomitant constant threat of ideological and political reversion, on the other hand. Here it will suffice to note that economic "reversion" is not yet a threat, but is a partial reality, as evident from the fact of excessive budgetary redistribution.

Naturally, the economic, social (class and stratum), and political segmentation of present-day Hungarian society consists of closely linked yet sharply distinct levels. It would be illusory to assume that economic interests can be articulated with elementary ease. So many externalities influence even the most elementary economic interest groups that another diagnosis seems more accurate: People are unable to identify and pursue even their economic interests; indeed, due to the convulsions of fiscal dictatorship and to inflation's strangulating effects, their economic interests are perhaps what people are able to identify and pursue the least. Moreover, the system of economic interests cannot be directly translated and projected into a segmented system of social interests, into the organizing principle of the social strata. And the social stratification of the Hungarian population, serving two masters and deriving its income in equal proportions from the state and the "second economy," is becoming more and more baffling. Baffling not only to the sociologist's "multidimensional model," but also to the people who live in these strata contradictorily defined by social factors, and who often feel that they belong to some stratum on the basis of traditional and ideological motives, rather than their real situation.

Perhaps the absence of political segmentation could close the list. The result of this absence is that the interests which lack effective mechanisms for their assertion are not the only ones to remain politically mute. This is actually true of all other interests as well. For they have not been able to organize themselves politically at their own level as adequate self-expressions distinct from others, but only by clinging closely to the general interest classified as the dominant interest, after gaining consideration through a chain of distortions. The outcome is a society that has lost its interests, and thereby its consciousness as well. For an interest really exists only when it has been articulated and fought for to a finish, otherwise the interest does not even develop, and society's ability to represent its interests and to regulate itself

becomes eroded. Without this ability, however, politics destroys itself, it is unable to fulfill its task of effectively leading society, and the entire country becomes ungovernable.

Thus no party would be able to hand down a program from above. The MSZMP certainly could not do so in its present situation, when it must answer the challenge to become an effective program party. Parties are the top organizations within civil society's overall organization, in its system of institutions. For its own program the MSZMP, too, can borrow from what the social organizations, the vertically and horizontally, ever-better organized associations, are offering as their political content. Naturally, it will also have to undertake to openly fight the conflicts of interest to a finish. There has never been a national interest that did not contain some conflict of interest, particularly not now in the present economic crisis. The several hundred thousand party members are themselves a part of the segmented civil society that is organizing itself anew, and they bring with them into the party their society's segmentation and tensions.

The MSZMP cannot be suspended above civil society, either. Based on democratic socialism's fundamental values, the specific and concentrated aggregation of spontaneous movements and political expressions of interests, and their elevation to the level of the national interest, may be possible and necessary. The requirements and aspirations of the party of all the people, and of the reform party, likewise converge, because that aggregation can be achieved only in the historical direction of reform efforts, by linking up with Europe. And this may produce, through further debates and internal reforms, the party's real and complete program, fleshing out the "table of contents" announced on 11 March 1989.

Pecs Delegates Expect Democratic Elections to MSZMP Congress

25000418f Budapest NEPSZABADSAG in Hungarian
14 Aug 89 p 4

[MTI report: "In Plain View of the Pecs Public, 61 Candidates Vie for 19 Mandates. City Party Members Prepare for Party Vote; Decisions Affect Both Persons and Platforms"]

[Text] Delegates to the October Hungarian Socialist Workers Party [MSZMP] congress will be elected at Pecs in the most democratic manner, by way of so-called party voting. This means that the 12,000 communists residing in and near the city will decide by secret ballot who from among the candidates should represent them at the congress. The election will take place in early September. Party members will have 1 week to place their ballots in boxes located at various points in the city.

Communists of the lower Mecsek city will be represented by 19 delegates at the congress, but party organizations nominated three times as many candidates, 61 to be exact. All 61 names appear on the ballot. The votes cast

will be totaled by computer, and the computer will rank the candidates. Communists receiving the highest number of votes will become delegates. In the framework of the election campaign just started, candidates will be assessed by the party membership in the plain view of the city's public. They will introduce themselves at forums, and will explain their political views and state their programs.

Dr. Denes Koltay, MSZMP Pecs City Committee first secretary, said that both persons and platforms are competing in the election campaign. Representatives of six pronounced political trends are struggling to acquire the city's mandates to congress. For example, reform basic organizations and reform circles nominated ten candidates, the MSZMP's city program established a separate platform, and so did the Movement for a Democratic Hungary, Cooperation for the renewal of the MSZMP, the Ferenc Munnich Society, and the Jeno Landler Workers Guard Friendly Circle.

The city party committee saw to it that each platform and each candidate may participate with equal chances in the election campaign, meaning that they will receive equal amounts of moral, financial, and technical support. Only one organization called "Nezopont" ["Viewpoint"] rejected the party's support; its members established their own election fund. A seven-member election committee will watch over the purity and democratism of the nomination and the elections. There will be no apparatus workers among its elected members, on the other hand the reform trend and the Ferenc Munnich Society each received one seat on the committee.

The average age of the Pecs nominees to the party congress is 46. No statistical consideration prevailed in their being chosen. Instead, suitability, fitness, and popularity were the selection criteria. Every fifth candidate is a teacher at a university or an academy. Among them we find academician Maria Ormos, rector of the Janus Pannonius University of Sciences. She could automatically become a member of congress vested with all the rights because of her membership in the MSZMP Political Executive Committee. Despite this fact the professor agreed to be openly sized up in the framework of her nomination and election.

National Roundtable Proceedings, Events Analyzed

Situation Analysis

25000419d Budapest HETI VILAGGAZDASAG in Hungarian 12 Aug 89 pp 4-6

[Article by Richard Hirschler: "Political Mediation Situation Analysis: The Tactic of Keeping Silent"]

[Text] However incredible it may seem, the opposition, the Hungarian Socialist Workers Party [MSZMP], and the "third side" composed of fellow traveler organizations have been trying to negotiate and to reach an agreement for more than 2 months concerning the future

of Hungary. More accurately, they have talked about the restoration of the multiparty system, the establishment of conditions needed for holding democratic elections. They did so without informing the public of anything of substance. Finally last week the silence broke: Separately, both the MSZMP and the opposition informed the press of where political negotiations stand.

One could say that the press briefings provided by the opposition and the MSZMP had one thing in common: They were held on the same day last week. This was interpreted at the MSZMP Jaszai Mari Square headquarters—still surrounded by the government's protective service and kept off limits to vehicular traffic—as a coincidence.

The two opposing sides mutually tried to pin responsibility on the other side for differences of opinion, and their views concerning the proceedings were diametrically opposed.

At the MSZMP press conference Gyorgy Fejti announced that the three parties have agreed upon 90 percent of the text of the party law, and that there is also progress with regard to the draft election law and changes in the constitution, even though the progress here is not as significant as with regard to the party law. He justified the news ban thus far by saying that the public is not interested in unproductive debate. "Publicizing differences of opinion does not enhance the solution, only agreements are newsworthy."

At a press conference held at the People's Cultural Institute a few hours before the MSZMP press briefing, participants of the Opposition Roundtable had a far dimmer view of progress made thus far. Constant moving around, disorderly gatherings, constant improvisations, and heated verbal exchanges radiated an entirely different atmosphere than the consolidated, cool order, measured elegance and huge Lenin portrait found at party headquarters. According to several representatives of the opposition, the MSZMP has "hardened," they declared earlier agreements as null and void, and interpreted matters according to their own liking. The only matter that remained the subject of debate was whether all this took place because Pozsgay was on vacation and Fejti took over directing the MSZMP delegation, or if the change was no coincidence, and thus was part of a tactical plan. Both guesses were denied at Jaszai Mari Square. Fejti stated that he is not making decisions on his own, but that the political executive committee has set the framework for all compromises. Stressing personal conflicts is part of an attempt which dwells on nonexistent conflicts, according to the Central Committee [CC] secretary.

Though it was in a delayed fashion, the opposition provided several behind-the-scenes details concerning the negotiations themselves. Peter Tolgyessy stated that they started out from an inferior position from the outset, because they are negotiating with none other than the party state itself, and that the MSZMP—a vast

STRUCTURE OF POLITICAL CONCILIATORY NEGOTIATIONS

Mediation Committee
(resolution of problems arising on any side) each side: 3 persons

Plenary Session (political decisions) each side 3 persons + representatives of organizations agreed to by National Assembly President to serve as observers

Mid-level Political Committee
(Definition of principles and rules for democratic political transition.) 2 persons per organization

Mid-level Economic Committee
(Strategic tasks to overcome economic and social crisis. 2 persons per organization)

Political working committees (5 persons per side)

Economic working committees (5 persons per side)

1/1 Timely changes in constitution, president of the republic, & const. court issues

1/2 Regulating the functioning of political parties

1/3 Issues related to elections, laws concerning election

11/1 Economic crisis management (indebtedness, structural change, inflation)

11/2 Social consequences of economic crisis and their management

11/3 Proprietary reform, with particular attention to the changing of state property

1/4 Principles of Criminal Code & Code of Criminal Procedure Changes

1/5 Issues pertaining to information provision, new law on information

1/6 Legal guarantees against violent solutions

11/4 Land ownership and issues of law on cooperatives

11/5 Budget reform and law on state household

11/6 Law on competition, dismantling the legal barriers to anti-monopoly rules

Opposition Roundtable organizations: Society of Friends of Endre Bajcsy-Zsilinszky; Association of Young Democrats [Fidesz]; Independent Smallholders, Agricultural Workers and Bourgeois Party; Christian Democratic People's Party; Hungarian Democratic Forum [MDF]; Hungarian People's Party; Social Democratic Party of Hungary; Alliance of Free Democrats [SZDSZ]; Democratic League of Independent Trade Unions

"Third Side" organizations: Leftwing Alternative Union; Patriotic People's Front [PPF]; Hungarian Democratic Youth Association; Association of Resisting Hungarians and Anti-Fascists; Hungarian Women's Association; Society of Friends of Ferenc Munnich; National Council of Trade Unions [SZOT]

majority of whose delegation consists of government officials and experts—has unlimited use of the expertise of government organs for its own purposes, including plans already prepared at a substantial cost to the budget.

At the beginning of negotiations, MSZMP representatives were virtually shocked that proposed laws would have to be debated paragraph by paragraph. There were some who reacted in a hysterical manner to this development, because they were used to the fact that once the party and the government decided on something, only the raising of hands in Parliament was left to be done. For example: Deputy Justice Minister Geza Kilenyi accused Tolgyessy of obstruction, just because Tolgyessy's view differed from that of the MSZMP.

In reporting about the workings of the I/1 committee responsible for changing the constitution, Tolgyessy mentioned specific examples. In the framework of its negotiating tactics the MSZMP insisted that the Hungarian constitution include paragraphs concerning state socialism, such as the leading role of the working class, the absolute primacy of social property, and a statement according to which youth must be brought up in the socialist spirit. They have difficulty explaining, of course, why the constitution should state that the foundation of economic order is the social property of the means of production, while Rezső Nyers and other leaders accept the principle of competition neutrality in the framework of economics. Subsequently, the MSZMP indicated that it is willing to negotiate about terminating these classic Stalinist provisions of the constitution, provided that the opposition agrees to the introduction of the office of the president of the republic as soon as possible. The MSZMP considers it of key importance that even during the transitional period, before general elections, the Hungarian people decide about the person of the head of state. And they also want the present Parliament to appoint for a 12-year period the deputy chairman and four members of the 11-member Constitutional Law Court. (Its chairman and the five remaining members would be elected by the new parliament.) Deputy Justice Minister Kilenyi expressed his disagreement with the opposition view, according to which the appointments at the Constitutional Court and of the president of the republic prior to the elections would serve the preservation of the MSZMP's power. On the contrary, Kilenyi argued, these institutions would directly serve the cause of democratic transformation. The Constitutional Court could begin reviewing laws which stand as obstacles in the way of democratization, and the president of the republic could serve as a stabilizing factor in the present tense political situation.

This is precisely what the opposition, or at least part of it, fears. They believe that the MSZMP clearly wants to see Pozsgay holding this post. For months he would be the only political personality accepted by everyone, and his role would appreciate inordinately, particularly if a stalemate were to result in the wake of parliamentary elections. While the opposition does not object to

Pozsgay as a person, they feel that as a member of the MSZMP he could preserve his party's hegemonious power within a democratic order, even if the party suffers a clear-cut defeat in the elections.

At Jaszai Mari Square they denied that the MSZMP would insist on seeing the above cited Stalinist provisions in the constitution. Fejti also firmly denied that some kind of bargaining took place within the committee. True, Fejti himself made reference to the fact that "certain MSZMP viewpoints may become more flexible, provided that the opposition relaxes its stubborn positions." On the other hand Kilenyi indicated that if the opposition continues to reject the earliest possible election of the head of state, and if it is negative with regard to the Constitutional Court, the government will circumvent the opposition and submit legislative proposals to Parliament concerning these two institutions of public law. Kilenyi did not say how much time the opposition has left to respond to these issues, but Fejti made reference to the fact that the MSZMP would like to successfully complete the trilateral negotiations within 2 months.

Committee I/2 was also the scene of back and forth motions. That committee deals with conditions of the internal functioning of parties. For example, the MSZMP was willing to acquiesce in discontinuing party organizations at workplaces, and to change the party organizational form and activities so that they are based in residential areas, just as the other parties organize. At this point, however, the MSZMP informed the committee that the law providing for the functioning and the business management of political parties should not state where political parties can operate. Traditionally, the MSZMP is organized on the basis of workplaces, Fejti stressed, but he held out a prospect that the MSZMP would gradually remove itself from the workplace without any legal requirement to do so. On the other hand, he made an offer to the effect that in the future workplace party organizations would not become parts of enterprise hierarchies, that they would make decisions only with regard to party affairs, and that they would not utilize enterprise money in support of their action programs, which would be conducted after working hours. Fejti underscored the fact that the MSZMP continues to be prepared to remove itself from the judiciary, local councils, and government organs "if the negotiating partners manifest flexibility with regard to other issues." The armed forces are not included in the above listing, even though at the Opposition Roundtable press conference György Such also mentioned these as parts of a possible bargain.

A similar change has taken place with regard to the MSZMP view on party property and the financing of the party. At a subcommittee level they already accepted a proposal according to which the parties would prepare an inventory of assets. Thereafter, however, they stated that the MSZMP would not be willing to sign the minutes of negotiations, and expressed the same view that was conveyed at the press conference: Incitement is

taking place with regard to MSZMP property, although this property is not part of the trilateral negotiations either from a political or a legal standpoint. They did not explain at the press conference why the MSZMP provided a listing of its real properties to the opposition in an earlier phase of negotiations, as long as the MSZMP maintained this position (see below).

Preparation of the election law is rapidly advancing within the 1/3 committee, according to statements made at both press conferences, although the remaining seven paragraphs will present the largest difficulty in reaching an agreement. According to the opposition, a separate election court should be established, while the MSZMP deems the Supreme Court an appropriate forum to oversee the legality of elections as adequate. The MSZMP supports the idea of electing 300 representatives from voting districts, while 50 mandates would be distributed on the basis of votes cast for party lists. On the other hand, the opposition would like to see the election of 175 representatives to Parliament from individual election districts, and 175 through votes cast on party lists.

The difference is also rather large with regard to the nomination of candidates. In the opposition's view, 500 sponsors should suffice to authorize a person to run in a given election district, and if a party has nominees in 40 election districts, that party could run on the national list. The MSZMP establishes higher requirements: 1,000 signatures would be required for nomination in an election district, and a party could be part of the national list if it had candidates in at least 100 places, including Budapest and four counties. In addition, the MSZMP disapproves of the idea that the collection of signatures for candidates could take place anywhere. They urge that supporters should be recruited only in designated places. Previously the MSZMP was not inflexible to this extent, opposition negotiators complain. The new alternative clearly counts on the recruiting power of the 750,000-person party membership.

Despite verbal battles and skirmishes, neither side mentioned the possibility of breaking up the roundtable negotiations. Perhaps the MSZMP feels that it would lose whatever legitimacy remains if it leaves the negotiating table too soon, and that it would have to suffer all the consequences of its lost legitimacy in free elections—if there are any. Supposedly, the opposition also feels that it is highly important not to let go of the opportunity that has offered itself, meaning that after forty some years they can actually become involved in the formulation of Hungary's fate.

[Box, p 6]

News reports published by the press did not clearly reveal what the opposition would like to do with the party's property. Share in it? Confiscate it? This was the topic of our discussion with Ivan Peto, one of the Association of Free Democrats [SZDSZ] experts in the 1/2 working committee of the National Roundtable.

[HVG] What do you believe should be done with the MSZMP's property?

[Peto] We recommended that a law provide that in the upcoming transitional period parties and social organizations should not be able to dispose of any real estate. The huge properties of the MSZMP, the National Federation of Trade Unions [SZOT] and of the rest of the organizations called "social" should be nationalized, i.e. they should be owned by councils. Thereafter, the parties and social organizations should be able to rent these facilities from the councils, with the proviso that further transfer of such properties shall take place only in lieu of payment of rental fees and handling expenses, so that they cannot pocket profits from these rental properties. Prior to "nationalization" the organizations involved should prepare an inventory of assets, and the transactions should be overseen by a coalition committee composed of representatives of the parties and of the state apparatus. Once everything is thrown into the hat, and it turns out that something is left over beyond what the parties and organizations need, the surplus should be transferred by the councils for social service, cultural, health care, and other purposes.

[HVG] The MSZMP holds that whatever they accumulated during the past forty plus years, they acquired it legally, and that they do not owe anyone any kind of accounting.

[Peto] Toward the end of the coalition period the Communist Party initiated and directed nationalization—the expropriation of legally acquired property. It swallowed up the Social Democratic Party, liquidated the partners in coalition, nationalized their properties, and in part acquired their properties. The state party was able to do whatever it wanted to with the state's property. Incidentally, a significant part of party property is state property in form, not to mention the regular annual grants provided to the party by the state budget. In my view, citizens have a right to be interested in the origins of the MSZMP property, and in the party's management of that property.

[HVG] A few months ago Karoly Grosz stated in the Association of Democratic Youth [FIDESZ] publication PRESS that a part of the party's property acquired by way of state subsidies would be "returned" to society, but they would not return property acquired from membership dues and from the profits of party enterprises. According to Gyula Farkas, Central Committee [CC] group leader, state subsidies were justified, because these subsidies in part covered the educational expenses. Ever since 1972 the state has required persons in leadership positions to hold degrees from intermediate and higher educational institutions, and there were very many people who received these degrees at the party's political academy, or at party county educational centers.

[Peto] A good example. As directed by the party, the state apparatus ordains the conditions for filling leadership

positions, then generously establishes the infrastructure for fulfilling those conditions, and elevates party school training to the level of public service. And as far as membership dues are concerned, this matter is not that clear either. For 40 years, joining the party was an elementary career condition in this country.

[HVG] Do you seriously believe that the MSZMP will be your partner in liquidating the economic empire which serves as the foundation of the party's power position?

After all, party apparatuses are part of the party headquarters buildings!

[Peto] The MSZMP must decide what it wants to do. If it intends to maintain its prerogatives it should not expect the opposition parties to seriously believe in their declared intention to bring about pluralism. The multi-party system can function only on one kind of foundation: on the basis of equal opportunity. Only the voters can distinguish between parties, they can decide if one party is better than another.

MSZMP Real Properties According to the MSZMP

	Real Estate	
	Number of Properties	Value (in Millions of Forints)
Party committee headquarters (office buildings)	207	4,048.9
Party institution headquarters	3	173.2
Party recreational buildings	37	777.6
Municipal party committee, party leadership, and basic organization headquarters	2,257	1,663.3
Incidental buildings (garages)	132	700.2
Plantations, undeveloped areas	12	13.5
Totals	2,648	7,376.9

Openness Club Demands Public Negotiations

25000419d Budapest NEPSZABADSAG in Hungarian
11 Aug 89 p 4

[Text] The managing body of the Openness Club National Society conveyed the following position statement through the National Press Service:

The national triangular negotiations concern the country's fate and future. The secrecy of these negotiations may erode confidence in the negotiating partners, however, and may cast doubt on the purest of intentions. The negotiating partners must be aware of the fact that a political and economic mediating forum which excludes public opinion from expert negotiations on grounds of tactical considerations can hardly retain the long-term support of society.

As a result of the political agreement reached on 21 June 1989 the national triangle has an opportunity to define the framework of parliamentary work: It can influence the progress of legislation, it can agree upon the wording of draft constitutional laws. For this reason it is not permissible that the negotiations of the political mediation forum conducted in the country's building [Parliament] are not at least as open as parliamentary negotiations have been since the fall of 1988.

We are convinced that an opportunity must be given to members of the press to attend the lower- and medium-level negotiations of the national triangle, and that they report from the location of those negotiations, just as they do from parliamentary committee sessions. This must be accomplished without delay. Insofar as upper

level negotiations are concerned, these must be conducted in public, just as the plenary sessions of Parliament are. For this reason it is necessary that these discussions be directly broadcast by Hungarian radio and television. Beyond that, a verbatim transcript of all negotiations and related documents—just as the documents from the plenary sessions of the National Assembly—be made accessible to any interested person on the free shelves of the Library of the National Assembly and of county libraries. This should also be done with the minutes of parliamentary committee meetings.

More on Opposition Efforts To Change Street Name

October Party, City Council Reach Agreement

25000402 Budapest NEPSZAVA in Hungarian
28 Jul 89 p 8

[MTI Report]

[Text] We the undersigned representatives of the Hungarian October Party and the Chairman of the Budapest City Council report that on this day we have reached the following agreement:

The Chairman of the Budapest City Council promises that the proposal to change the name of Ferenc Munnich Street located in the 5th District of Budapest will be discussed by the Executive Committee of the Budapest City Council prior to October 23 1989, and after the 5th District Council Executive Committee has taken a position with regard to the proposal.

The Chairman of the Budapest City Council has informed representatives of the Hungarian October Party of his intention to recommend to the Budapest City Council the establishment of a committee composed of experts and representatives of social and political organizations to review the emblems which symbolize Budapest, and the designations of public areas and parts of the city named after persons. Further, the Chairman has reported that according to the Budapest City Council's work plan the proposed new council decree concerning the designation of public areas will be discussed at the Council's November 1989 session. According to the proposal, the designation of public places may be changed only after seeking public comment.

In consideration of the above, the Hungarian October Party suspends its action to change the above street name until a decision is reached. Specifically, the Hungarian October Party will not paint or paste over street signs bearing Ferenc Munnich's name, and will not paint on buildings the recommended, traditional name "Jozsef nador Street."

The Hungarian October Party has submitted 11 sheets of paper bearing the signatures of 168 adult residents of the above named street in support of the idea that the name of the street be changed back to Nador [as published] Street. These sheets of paper are to be forwarded to the 5th District Council. The Hungarian October Party will continue to participate in making assessments which serve the purpose of learning the local population's views.

Warning Rejected, Appeal Filed

25000402 Budapest NEPSZABADSAG in Hungarian
3 Aug 89 p 4

[Text] According to a statement issued by the Hungarian October Party, although the legal proceedings initiated against some of the party's activists for changing a street's name resulted only in a warning, under no circumstances is this judgment acceptable to them, and they have filed an appeal. The Hungarian October Party maintains its view that the authorities acted on the basis of an arbitrary decision when they changed the historic name that serves as a reminder of Jozsef Nador following the death of Ferenc Munnich.

Government Urged To Condemn 1968 Invasion of Prague

25000400a Budapest NEPSZABADSAG in Hungarian
5 Aug 89 p 4

[Text] In an open letter to the government, the Hungarian Democratic Forum called upon the Council of Ministers to condemn the 1968 invasion of Czechoslovakia, to take a stand in opposition to the military action, and to issue a statement opposing the principle and practice of "limited sovereignty."

POLAND

Publication of Opposition 'Who's Who' Noted; Merger Urged

26000662 Warsaw GAZETA BANKOWA in Polish
No 29, 17-23 Jul 89 p 11

[Article by Dariusz Fika: "Who's Who in the Opposition"]

[Text] The press attempts to predict what the arrangement of forces will be in the Sejm and the Senate. Not much comes of this. There are many new faces in the Senate and the Sejm, completely unknown to the public. The backgrounds of the opposition are also unfamiliar territory. The book, "Roundtable, Who's Who, Opposition, Biographical Statements" (Mysl Publ., 328 pp, 3,900 zlotys) casts a ray of light on these backgrounds.

The book appeared in record time, for which the publishers deserve praise. There are rumors that Interpress intends to publish a similar work about the government-coalition side.

The work contains 731 names of opposition activists occupying various positions, brief biographies, photographs, and concise statements on the deliberations being conducted at the Roundtable. The book ends with 31 statements (somewhat longer) by the principal negotiators and a list of the names of the participants of all of the groups.

In sum, this is a book that can be consulted while following the deliberations of the Senate and Sejm, because it lists many of the senators. There are relatively few economists, 23. They are: J. Beksiak, W. Bojarski, R. Bugaj, P. Czartoryski, J. Dietl, W. Dobrowolski, W. Dominiak, R. Gawlik, H. Goralska, K. Hagmayer, C. Jozefiak, A. Klasik, H. Kulesza, W. Majewska, Z. Polanski, J. Regulski, T. Stankiewicz, E. Tolwinski, W. Trzeciakowski, A. Topinski, A. Wieczorek, I. Woycicka, J. Ziolkowski. By way of embellishment, we might also add A. Paszynski, who states he is a journalist but professionally was always connected with the economy.

We must admit that the negotiators are not too optimistic as to the future. But almost all of them believe that, after the Roundtable, Poland will be a different country: "The Roundtable is a visible sign that the twilight of the communist order has begun" (Bugaj). "The Roundtable ends an era of monopolistic state capitalism and totalitarianism" (Bojarski). "This is no longer the same government and not the same subjects" (Beksiak). The absence of optimism stems from the awareness that the influence of the Roundtable on the state of the economy is not large. "In the political sense, the consequences of the Roundtable may even indicate a

new chapter in the country's history. However, immediate benefits in the sense of changes in the conditions of existence, despite the fact that ostensibly in many concrete fields it has been possible to obtain consent to rather important changes, should not be expected" (Paszynski).

It is really too bad that we have a personnel map of only one side. It would be much more interesting to also see the competition, to compare opinions, programs and personalities. Only such a comparison would give an insight into who is really who. Will Interpress makes this possible? We shall see.

'Freedom and Peace' Victory Leads to Reassessment of Strategy

26000648 Warsaw *TYGODNIK SOLIDARNOSC* in Polish No 9, 28 Jul 89 p 14

[Article by Maciej Wojciechowski: "What Kind of 'Freedom and Peace'?"]

[Text] "'Freedom and Peace' [WiP] must make some organizational changes if it is to compete with Solidarity. Therefore, we must find some common plane of agreement." These words, spoken at the opening of the special convention of the Freedom and Peace movement, which was held on 1 July 1989 in Dobrze Wielki near Opole, proved that WiP's organization is in a state of crisis.

The first warning signal appeared when the three basic points which decided the formation and activities of the movement (a change in the wording of the military oath, the establishment of service in lieu of military duty, and the release of imprisoned WiP members), became a reality. This fact was recorded by Piotr Gabryel in his report, "Opposition in the Polish People's Republic," prepared by the staff of the newspaper *REPORTER*: "Recently there has been talk among WiP members about the crisis which threatens the movement, caused by the attainment of its main goals. The crisis did not occur, but the 23-person group led by Jacek Czaputowicz, concentrated around the WiP periodical *CZAS PRZYSZLY* [Future Tense], came out with a statement suggesting that the process of destalinization which is taking place in the country, is opening up new opportunities for the movement."

The formation of the *CZAS PRZYSZLY* circle turned out to be the first crack which led, as a consequence, to an almost complete breakup of the movement.

Dariusz Rupinski, CZAS PRZYSZLY: "Three reasons were responsible for the founding of *CZAS PRZYSZLY*. The first reason, the basic one, was personnel disputes. Many misunderstandings occurred (I will not say here who was at fault), relating to misuse of authority or finances. In something like WiP, this could easily happen. The second reason was disputes as to ideology. For example, the very active anarchistic groups, whose ideology is explicit, were imposing their viewpoints on what was happening in WiP. And the third reason, a

rather important one, was differences in the mentality of operations. For one group all that mattered was campaigns, for another it was to organize some kind of seminar, perhaps a conference at which a discussion could be held (...) The turning point was the conference in Mistrzejowice at which the *CZAS PRZYSZLY* circle was formed and the people connected with it were eliminated, in my opinion, in a very crude way."

It did not take long for the consequences of the departure (elimination) of Jacek Czaputowicz's group to appear. Shortly thereafter the next move was made by the Wroclaw circles.

Leszek Budrewicz, Wroclaw: "The WiP circle arose for various reasons. After the assembly in Poznan a certain group of people (primarily from Wroclaw) decided that at this stage of the movement's development, when more and more people are joining and new forms of activity are developing, such indispensable institutions as a spokesman or someone responsible for finances should be appointed. Furthermore, we came to the conclusion that because the movement is growing, in order to preserve a fundamental formula, which is to combine political activity with the development of internal harmony, and to find a way in which people could meet more often, a federation is necessary, because there is no way we can function and understand each other in a group of 600 people in which various ideological options are represented. Furthermore, in Poznan at the previous convention such a fundamental principle of WiP was violated as tolerance. We decided that it was inadmissible that in a movement which always fought for basic personal values, it was not possible for people to organize in the way that they wanted.

And those were the basic reasons why the WiP group was formed."

The splits inside the WiP, the formation of the Anarchistic Intercity, the concentration of certain groups on ecological problems, demilitarization, and campaigns against the new draft law on abortion, threatened to split the entire movement and cause it to lose its identity. It was essential to create a new declaration of ideology, to develop a new program, and what is most important, to make changes in the structure of WiP.

Elzbieta Oledzka, Poznan: "The stagnation in the movement, i.e., the inability to break down the organizational barriers which delay our actions, made a simple solution essential: We had to expand the formula sufficiently to give new impetus to the movement by opening it up and accepting someone new. Naturally, within those principles which are binding."

Leszek Budrewicz: "The federation means that this movement in a new situation has, in my opinion, the very large possibility of developing very dynamically, especially among the youth. And the divisions will be identified and will no longer be an obstacle in the movement's development."

The idea of creating a federation of different groups which accept the basic ideology and program of WiP, was not, for all of those assembled at the meeting in Dobrzen, so simple and clear a solution to the problem.

Dariusz Rupinski: "All of this loses sense if we accept the fact that this extraordinary meeting may be less important than the next one, which, let us say, may undo everything. There is no clear formula here for making decisions."

Andrzej Wolyniec, Gorzow Wielkopolski: "For me, the mechanism of the federation's operation is unclear. I am afraid that WiP will become structured and institutionalized. I would not want that. I may have trouble later in finding a place for myself in it. For now, WiP has made it possible for me to do many things in a friendly setting, a noninstitutional setting. I do now know how it will be later..."

Mieczyslaw Pyzio, Krakow: "I have heard nothing concrete on the subject of a federation (...) we have not established certain rules, e.g., if some group of neofascists comes to us and says that they agree with nonviolence and our declaration of ideology, and they are from various cities, than who are we to give money to and who in general is to decide whether to give it to them or not. What does this federation mean?"

The idea of creating a federation was voted through by a majority of the delegates, but doubts as to the future shape of the movement remained.

One might say that WiP in its new "suit" will spread its wings and again begin to act dynamically, that a minimal formalization of its structure was essential in order to prevent the movement from falling apart. Maybe Leszek Budrewicz was right when he said that "(...) a certain idea was brought to fruition and that is why I do not regard what happened here at this meeting as a prestigious victory." Personally, I believe that WiP participants still have a lot to do before they can become part of the new sociopolitical reality, and the creation of a federation is only the beginning of the changes which perhaps will restore this movement to good health.

YUGOSLAVIA

Croatian Leadership Urged To Oppose Rising Nationalism

28000165a Zagreb DANAS in Serbo-Croatian
1 Aug 89 pp 7-9

[Article by Jelena Lovric: "Is Croatia Also Burning?"]

[Text] In recent days, Croatian nationalism seems to have kicked open the door and burst onto the public scene with the full force of its primitivism and frustrated aggressiveness, forcing the nationality and the republic in whose name it issues its appeal, and which up to now have been able to look the entire country frankly in the eye, to be ashamed.

In Trilje, the usual summer traffic jam, combined with alcohol fumes and frazzled nerves, turned into a conflict between two obstinacies, one in a bathing suit who had been using his car horn with disproportionate ferocity and the other in a police uniform who made a fist faster than he should have, and then the bystanders lined up behind them according to nationality (on the basis of the car's Zagreb license plate and the assumed nationality of the man in the uniform), and this escalated into a free-for-all in which the Croatian youths let themselves go in a loud and threatening orgiastic dance around cars registered in Belgrade and other Serbian cities, kicking and slapping them and even climbing on them, which lasted more than an hour and withdrew only in the face of repeated pistol shots from the police reinforcement. In Pirovac, a group of some 20 young men, again under the influence, lit a fire in front of the old building of an elementary school where children from Smederevo have been vacationing for 32 years now, and when the latter came out to see what was happening there was shoving back and forth and squabbling, and then the people from Pirovac took hoes and sticks and rushed to break the front door and windows, and they dispersed only when one of the people with the children, who, according to the newspapers, belongs to a special unit, fired into the air. After that, the police guarded the children all night, and the next day they refused to listen to the requests of their host and left their vacation spot 4 days early. So, children against children in a whirlpool of ethnic blindness and hatred.

These two examples are only the most recent and perhaps the most drastic culmination of those interethnic chills which this year have in the hot Adriatic sun boiled up with ethnic sentiments and passions and nationalistic outbursts, turning the coastal towns from beehives into grounds for testing social tensions and ethnic frustrations, which have replaced the time of summer relaxation and peace, when politics is submerged in the nervana of rest and convergence, into a time of unrest and tension, proving that politics has contaminated human life altogether. Can we, then, ask once again today, as we once did: Is Croatia burning this time with a summer fire of nationalism? There is no denying cases like these, the only question is whether the fire will assume disastrous proportions, threatening to fry all human relations, or will nevertheless allow itself to be localized and kept under control? Certainly, it is not easy to size up accurately Croatian ethnic and nationalistic flareups, yet this is extremely important, since overestimation and underestimation can be equally dangerous. When hundreds of thousands of tourists are swarming along the Adriatic, some of whom sometimes have something other than vacation on their minds, they come into close contact, sometimes even with their hosts, and when all of this occurs in the context of frustrations caused by the long-lasting crisis, and they are constantly stirred up by ethnic exclusiveness and incitement, then perhaps these several outbursts, 20 or so, are not so many, perhaps they should actually have been anticipated.

Particularly in view of the fact that no aspect of them was left in the gray zone of coverup and silence, that the media coverage of them all was almost extravagant, not only on the part of those who by the nature of things are inclined to exaggerate and use them with unmistakably recognizable intentions, but also the on-the-spot reporting by the Croatian press. One can differ, then, over their dimensions, one can argue about certain strange details (such as the role of the special officer in the children's vacation center), the malicious distortions and inventions in which the victims even become those who are provoking the squabble, but it is evident that people of all nationalities have been pushed to the end of their tether and flare up easily and react uncontrollably, and that, especially since the outburst of Serbian nationalism in Knin, which with its ethnic banners and other status symbols reached the very heart of a strangely shaped republic, there has been an outburst of Croatian nationalism.

Following the events in Knin, which with undisguised pretensions of conquest cast down the gauntlet of provocation to Croatia not on the threshold of its house, but on the very hearth, it was almost inevitable that there would be a public flareup of the resentment created long ago about ethnic homogenization in Serbia and the fear of what is felt as a threat, not only in Croatia, but in a majority of the other republics. And the fact that that anxiety should have turned into aggression in Dalmatia should probably not be attributed to any sort of ferocious Croatian nationalism there, but rather to the fact that under present political conditions the very situation of a mixing of nationalities has become overstrained, especially when intolerance and ethnic excitability are encountered on both sides. Those who do not have good nerves ought not to be in the tourist business, since just as foreigners, say, who, for example, set fire to our money, are the business of law enforcement agencies, so provocation involving singing and shooting should also be the business of the competent services, and self-styled enforcers should not take some supposed justice into their own hands, justifying themselves on grounds of principle and quite often concealing their own nationalistic sense of honor. Is it because of that anticipated effect that the Knin provocation should have been prevented in good time? Probably one could agree with those who say that the repression toward those who had earned it in Knin was delayed in order to obtain evidence by taking pictures and other forms of documentation so that "everyone could be shown what this was." Otherwise, it would "have been said that this did not exist and that it was a hasty anti-Serb reaction."

Drago Dimitrovic, secretary of the Croatian party organization, says that "there was a particular reason for acting that way, since there had been suggestions of possible outbursts and conflicts which could aggravate interethnic relations in SR Croatia." But by the same token "we take a different approach to the elements of Serbian nationalism before and after Knin," since "to day even the public in Serbia has finally faced the fact

that this can no longer be tolerated and that a failure to react represents a break with Tito and the revolution" and that a situation has been created in which "what was brewing in Yugoslavia for a year, what was tolerated and fluttered any way it wished" has been made evident to Yugoslavia and the "line has been drawn." But the price was the outburst of Croatian nationalism fed by fear of Serbia and the Serbs or, more accurately, by fear of the policy personified by Slobodan Milosevic and by a lack of trust in the republic's own leadership, which is not considered capable enough, brave enough, or decisive enough to resist that threat, and so a Damocles sword of skepticism has been hanging over it constantly. Nor is that any great wonder, and it is not altogether bad. The most dangerous thing is when those who recently have been called so euphorically the people display blind belief in their own leadership. Perhaps it is really true that the Croatian leadership did not make a single serious concession toward compromise, but it is a fact that the public quite often perceived it as confused and inarticulate and that it avoided taking a position even toward those provocations which shook the country and were devastating it, indeed even when it became clear where it was headed, when the demand that some of its highest representatives comment on the Gazimestan speech was repeated in vain.

Although recently it has seemed that the situation had changed to some extent, some of the leaders are still stubbornly silent, and in the last meeting of the Croatian LC Central Committee, which under the last point on the agenda, "current issues," debated the current political situation, the demands of certain lower-level party forums that there be no more talk in generalities and that the question of Slobodan Milosevic's accountability for the policy he is conducting be raised in the upcoming plenum of the LCY Central Committee on interethnic relations, were altogether passed over in silence. It is not, of course, difficult to agree with those who say that the debate of nationalism is like pouring oil on the fire and that it is pointless to argue with those who are blind with ethnic exclusiveness. But when there is no clear position taken, and uncertainty is spreading, then space is inevitably opened up for those who think that they must take development of the situation into their own hands regardless now of whether on summer terraces they abuse those who sing songs that awaken unpleasant associations or, attempting to organize themselves, they intend to hold a protest rally—since "as citizens of SR Croatia they feel unprotected against the assault of nationalism and thereby uncertain about what awaits them in the future"—in order to raise their voice "against destruction of concord and peace in Croatia and Yugoslavia, against the trampling on the integrity and sovereignty of Croatia, and against the passive behavior of the government structures of Croatia and Yugoslavia toward the escalating outbursts of Serbian chauvinism," which the obviously panicky law enforcement agencies took with the extremely hard-line and unsubstantiated assertion that this was an "attempt to engage in activities directed toward inciting ethnic enmity and intolerance."

The Risky Delirium of Nationalism

Drago Dimitrovic, who along with Ivo Latin, one of the Croatian leaders, spoke out in public about the events in Knin and whose recent statements (the speech in Abez forest, the interview in SLOBODNA DALMACIJA, and the introductory address in the last meeting of the Croatian LC Central Committee) made it possible to think that Croatian silence had come to an end, said recently that the nationalism of the most numerous nationality is the most dangerous: Croatian nationalism in Croatia and that of the Serbian nationality in Yugoslavia. Still more dangerous is the nationalism which is invisible to members of that particular nationality or which they do not combat. That is today one of the essential differences between Serbian and Croatian nationalism, whose collision could in any case be dangerous for Yugoslavia. Aside from having a clearly profiled national program and insisting on ethnic concord, the Serbian leadership did not depart from its practice even in its recent party plenum concerning interethnic relations: it repeated its usual harsh assessments of Albanian nationalism, proclaiming similar things in the Serbian nationality to be marginal things or fabrications of those who have been trying to trip up Serbia. The Croatian leadership has not forgotten the nationalism of its own nationality—at times even buying the right to speak about others by overstating it—and one of the reasons is probably that in the seventies this republic learned the lesson that a high price is paid for that kind of euphoria. In other places, in other republics, they do not suffer from such scruples.

Those who fostered the provocations in Knin and wanted thereby to destabilize Croatia and for whom it had become important, especially after the Knin exposure, to compromise Croatia have actually achieved their objective. After all, not only have the flareups of Croatian nationalism been disturbing the republic (which could be a long-term danger, since it distracts it from the essential problems, and also because destabilization of the situation in Croatia is a precondition for creation of a different Yugoslavia), but with their primitive and wild manifestations discredit the idea that it is possible on the Yugoslav scene to freely point a finger at those who deserve it, without shame or hesitation. To that extent, this will now be much more difficult for Croatia at precisely the moment when it was much closer to speaking than before.

After all, although the evidence has been gathered and classified concerning the nationalistic provocateurs who gladly dress up in Chetnik finery and concerning their scenarios for tearing Yugoslavia apart, and although throughout almost the entire country a critical and repellent attitude has begun to be created toward this, the dominant Serbian nationalism has managed to call out its Croat brother, and perhaps this has now gagged those who had finally arrived at the decision that questions should be put as to who is actually setting the nationalities at odds? That is why Croatian nationalism is today being encouraged and promoted so much from

outside, to the point where it is even found in places where it does not exist (yet). Not only is the blame put only on one side in the summer episodes, which threaten to turn into drama, but there have already been countless cries of shame evoked by the initiative in the Croatian Assembly to "omit the Serbs" from the constitutional article defining the Republic of Croatia. Although that motion did receive a surprising and ominously large number of votes, leaving "an unpleasant impression, since objectively it expresses a narrow ethnic position, a phobic disposition, not a democratic and tolerant spirit," it was nevertheless rejected, and that at a time when in another republic a motion of a similar type was given constitutional promotion and when those who proclaim the Croatian Assembly to be nationalistic solely because of that motion did not utter a word about it. Likewise, they failed to mention the critical initiative of certain intellectual circles—which according to NIN was to be promoted in Knin—concerning creation "of a separate federal unit covering northern Dalmatia, Lika, Banija, Kordun, Slavonia, and Baranja and to be given the name Srpska Krajina with its capital at Karlovac." But there was not a word about that from the other side either.

Keeping Honor Bright

It has proved to be illusory and extremely naive, then, to expect that manipulation of the interethnic relations between the Croats and Serbs by those who are interested in that manipulation and in interethnic conflict could be prevented by silence and by avoiding disputes, that is, by that policy which did not want to "pour oil on the fire." Just as it was an illusion to expect that the waves of nationalism can be halted now solely by legal and self-protective mechanisms. There is, of course, no alternative to achieving people's complete security, but how is it that those who have not shown vigor in their own political work now expect it of those in legal and protective institutions? The Croatian leadership, then, has not prevented the penetration of Croatian nationalism through its policy, nor probably was that even possible in the situation that now exists in Yugoslavia. But it still has an opportunity to preserve its honor before Yugoslavia in this context by continuing to fight consistently against nationalism in its own community. The radicalization of ethnic divisions and polarizations is entering a phase when the absence of vigorous action to break up all those who carry on these types of activity could be disastrous to overcoming the crisis democratically. After all, as Dimitrovic has said, "the threats of force and weapons which have been heard are not an occasion for us to say that we are not afraid or that we can also play that game, but a warning that exclusiveness is approaching the point where extreme sensitivity and wisdom is required in making moves and in resolving situations which could turn into conflicts and showdowns and might be used for radical political objectives." But halting the escalation of interethnic conflicts in Croatia and thereby and thereafter creating conditions to begin thinking about calming things down in Yugoslavia, also presupposes political action, and it will be put to a big test very soon at the upcoming meeting of the LCY Central

Committee which will be over by the time this article is published. Will they speak at it not about the "little marginal groups" which have been spreading the icy breath of hatred, nor about those who are lighting fires for the vampires to dance about, but about their extremely dangerous mission, about those who inspire and organize them, about those who at the top of leadership groups stand behind programs which require that kind of ethnic euphoria? Are they going to talk about red nationalism, which for this country, in which the party and the government are still intimately bound up, is the most dangerous, since only it has real power, since it is the only one raging through the country that has legal validity?

Resistance to Every Nationalism

But the fight against nationalism is only the first step not toward freeing ourselves of the nightmare which will torture us for a long time yet, but of just keeping it under control. But that is not enough to legitimize the leadership groups. The resistance to every nationalism is a debt to civilized life, the dignity of the nationality presupposes a fight against nationalism, which is a shame for the nationality in whose name it speaks. The position of the leadership must be built solely on a program and policy that offer a future. That is why the Croatian leadership is actually just qualifying for the real race in adopting a vigorous critical attitude toward nationalism. For 17 years, it has been living on the credit of its showdown with Croatian nationalism back then, at this point it cannot build its position solely on resistance to Serbian nationalism, even if it thereby is resisting that nationalism that is coming from outside its borders. The Croatian leadership must offer a concept of development that will legitimize it, it must for its part offer definite content to the "Yugoslav synthesis" which at present represents more a certain technology for arriving at joint decisions. And in this sense the party in Croatia displayed in its last plenum its utter helplessness and inertness when it debated the reform of the political system. Just a few days later, the Serbian leadership

came forth with its proposal for reform of the political system. There is no doubt that much more will be said in the Yugoslav public about that proposal than about the one coming from Croatia, and not only because that other one was in fact created to be imposed on all of Yugoslavia. Although it contains ideas it would be very hard to agree with, it is obvious that it was designed with much more ambition and courage than the almost provincially pale Croatian program, for which, in view of the potential that exists in Croatia, but perhaps not in its leadership, there certainly was neither any reason nor justification.

Ivica Racan said recently that "squabbling over who has done how much for the 'cause of Yugoslavia,' attributing to oneself great merit or charging others with great injustices, is not only to turn to the past and to avoid the problems today and their resolution, but it is also to justify one's aspirations to gain a hegemonistic position or defend one already captured at the expense of others and at the expense of equality. Our experience, especially our current experience, indicates that nationalism is in fact a sign of a deep disturbance in society, that the living and creative ties among people have been severed even within the nationalities, that authentic values and ideals have been destroyed, and human rights trampled on, that the dictate of hot blood—more ethnic than red—is on the move instead of conscience, reason, and the lessons of history. By spreading illusions that it is possible to get out of the social crisis through ethnic homogenization and rallying and thereby through ethnic division, the fight for power is being paid for not only in terms of our own material and spiritual poverty, but also sooner or later in terms of democracy and a democratic future and, in a multinational community like ours, in terms of equal relations. The crucial question is how to halt this chain of events," Racan said. On the eve of the great party plenum concerning interethnic relations, this question, with its dramatic force and dark threat, has almost never been as open as it is now.

HUNGARY

Security Adviser Views Romanian Military Threat

25000398b Budapest HETI VIAGGAZDASAG in
Hungarian 29 Jul 89 pp 62-63

[Interview with Laszlo Tolnay, security technology specialist and director of the scientific division of the Foreign Affairs Institute, by Zoltan Horvath: "The Romanians Clearly Command Superior Numbers in Terms of Materiel and Manpower"; date and place not given]

[Text] During the past several months it has been said many times that "Hungarian-Romanian relations are at a difficult point." The only difference between the individual statements is that every time such a statement was made it turned out that, compared to each earlier difficult point, there existed an even more difficult point. How far can the relationship deteriorate? How real is the view some politicians hold that our southeastern neighbors may even resort to military solutions? What could Hungary count on in case of a military conflict, and what can Hungary do to avoid such conflict? Among other matters, we asked these questions of Laszlo Tolnay (age 60), security technology specialist. He is the head of the scientific division, Foreign Affairs Institute.

[HVG] Recently a number of widely publicized Romanian statements have made it clear that in the course of debating differences in political views at various levels, our southeastern neighbors have not stopped short of making references to military force. On this basis, many professional politicians have drawn the conclusion that a possible military confrontation is not a mere theoretical possibility. What do you, as a security policy adviser, think of this?

[Tolnay] It would be difficult to respond to this question by simply saying "yes, the Romanians may launch an attack," or to say the opposite, that "a Romanian military undertaking against Hungary is a phantasm." Quite naturally, the relationship between Hungary and Romania has a number of important elements. One of these, and under no circumstances the most important one, is the possibility of a military conflict. But since your question focused on this issue, I must answer this way: The danger is present; responsible diplomacy must take into consideration a military conflict.

[HVG] Notwithstanding this fact, and even if you regard this question as unprofessional, I will ask you to discuss this "existing, but not most important" element which preoccupies many. What factor makes this danger realistic in your view?

[Tolnay] I could list several reasons. Among the most important ones we find perhaps the unpredictability, the irrationality of Romanian politics, and the Romanian leaders' lack of a sense of reality. I will also include here the fact that during the past years Romania has been squeezed to the periphery, to the backyard of European

politics. Similarly, the tension produced by Romania's internal supply difficulties, and by its domestic policy methods are significant factors. Many believe that such tensions can be dissolved by using the method of search for external enemies. This explains the conviction that an external conflict provoked with a neighbor which has been declared to be a traditional enemy, is a lesser evil than an internal explosion. Having said all this I will emphasize that although the possibility you mentioned cannot be ruled out, in my view the danger is exaggerated by many. The situation is not sufficiently serious for us to revise our military doctrines due to a proximate danger of being attacked from the southeast.

[HVG] Even if we need not revise our military doctrines, I would think that it is the elementary responsibility of every body politic to think through every possibility that may occur, and to develop a plan of action in response to these possibilities, even if there is no need for such programs later. The first phase in such thinking may be to appraise the strength of forces which will possibly confront each other. Based on accessible data, "what would confront what" in case of a Hungarian-Romanian conflict?

[Tolnay] We may hold a brief "military review" if we preface it by saying that a numerical comparison only partially reflects actual conditions of strength. According to data publicized by the Warsaw Pact, the Romanian armed forces are 171,000 persons strong, while the Hungarian armed forces number 106,000. On the Romanian side we should add to this approximately 20,000 border guards, the equivalent of which on the Hungarian side is 16,000. In adding up the numbers we may consider paramilitary organizations like the 60,000 Workers Guards in Hungary, and on the Romanian side various local defense formations, militiamen, and guards. The total number of these exceeds 300,000 in Romania. In given situations it is appropriate to take into consideration the difference between the two countries' population size: against the 10.5 million Hungarians, the 23.8 million Romanians. This is important from the standpoint of the possible number of reserves that can be mobilized. There is no need for a detailed listing of armaments, but a few pieces of more important data may be interesting. We have 1,435 tanks, while the Romanians have 3,200. The Hungarian Air Force can deploy in combat 113 airplanes, while the number of such airplanes on the Romanian side is 380. We have 1,750 artillery units, while Romania has 6,600. Accordingly, considering both manpower and materiel it is clear that the Romanians have superior power. I would like to stress that this superiority should not and could not be offset by any means if we engaged ourselves in a forced armament effort.

[HVG] I believe you are recommending diplomatic means. But as long as we are talking about these matters, how should we view Romanian statements made specifically to the Hungarian negotiating partners, which referred to the possible production of Romanian nuclear

weapons, or news leaks about the possible Romanian purchase of rockets in Argentina?

[Tolnay] Above all, I would also advise caution in this regard. Romanian diplomacy has always liked to use the method of disinformation, although this does not mean that we should regard every statement, every reference made by them as camouflage, of course. Thus far both armies have had rockets anyway. According to NATO data, the Romanians have 30 Luna-M(Frog 7)-type 65-kilometer range booster rockets capable of delivering both conventional and nuclear warheads, and 18 type R-17(Scud/B) 300-kilometer range ground to ground booster rockets. Military analysts record 24 of the former and 9 of the latter in Hungary. Accordingly, in theory, the R-17 rockets would be suitable in a given situation to threaten the Hungarian capital from Romanian territory, without the Romanians acquiring additional rockets. Insofar as this information is correct, the Romanians' rocket procurement from Argentina deserves attention from another viewpoint, however. In such a case we would be confronted with an experiment in which a Warsaw Pact member state made up its mind to pursue a course of arms procurement that is different from the practice followed thus far.

[HVG] Do you think that the Romanians would like to become "the Frenchmen of the Warsaw Pact," meaning that by playing games of military independence they want to achieve a special negotiating position?

[Tolnay] That may also be the case, but do not forget that we are theorizing about a news leak which, for the time being, is unproven.

[HVG] Let us forget for a moment what you said about the lost sense of reality manifested by the Romanian leadership. By all means, superior strength is on the Romanian side. What could restrain Romanians aware of their superior strength to pursue their policies by using "other means"?

[Tolnay] To my knowledge, even in the recent past this assumption would have been so absurd that they have not even thought it through. But even if this is missing, just think of the presence of Soviet troops "temporarily stationed in Hungary," and of the fact that beyond the Warsaw Pact there is in force a nonaggression and mutual aid pact between the Soviet Union and Hungary. In my view this is by all means a restraining force.

[HVG] The question is who will be restrained from doing what? In the absence of a relevant Warsaw Pact etiquette, who knows whether the Soviets would remain neutral, or if they were to intervene, on whose side they would do so. Altogether: Since the differences were publicized, have we received encouragement from the Soviet Union that in the course of disputes, or in the course of a possible conflict, they would be on our side? Has any state in the immediate region taken a position regarding this issue? Have any warnings come from any

area in the world which would indicate that in case of a conflict initiated by the Romanians they would support the Hungarians?

[Tolnay] To my knowledge no such statement has been made anywhere, moreover what was underscored everywhere was that the two countries must resolve the problem directly, between themselves. Despite this—and perhaps the diplomatic events of the past months support this statement—international public opinion cast its vote in support of the Hungarian position. On the other hand, we have not asked anyone to mediate between the two parties, and no one has offered to mediate.

[HVG] Is this sufficient so that on the Romanian side the scale weighs heavier toward more peaceful solutions?

[Tolnay] I would think that international public opinion, and consistent Hungarian representations at various forums could be of this nature. Just as the fact that although Romanian troops have marched into the Hungarian capital at the conclusion of both world wars, and that also in 1956 the Romanians made strong offers to "render help," in all three instances Hungary was a collapsed country incapable of defending itself, or would have been such an adversary, but at present this is not the situation at all. Independent of this, as I have stressed already, despite the extraordinary coldness of Hungarian-Romanian relations, they do contain the elements of evolution. This is precisely the task of a foreign affairs background institution like ours, to help the political sphere with its recommendations to reach a peaceful agreement, after having explored and developed jointly with others these elements of evolution. This should not mean, of course, that we bury our heads in the sand, and that we should not call existing dangers what they are.

Military Reductions Detailed

25000398a Budapest NEPSZAVA in Hungarian
28 Jul 89 pp 1, 5

[Interview with Major General Jozsef Biro, deputy group chief, by Attila Schmidt: "Hungarian People's Army Personnel and Armament Reductions To Begin in August"; date and place not given]

[Text] The Hungarian leadership has announced that it is prepared to begin a unilateral reduction of its armed forces and its armaments. Contributing to the success of the Vienna negotiations, the statement manifests itself in more than words. In a few days, in the presence of representatives of both the domestic and the foreign press, the first phase of personnel and armament reductions will begin. Deputy group leader major general Jozsef Biro granted an interview to NEPSZAVA to explain what this means in practice.

[Biro] The unilateral reduction affecting the Hungarian People's Army is an organic part of the relaxation of tensions in Europe. It manifests our preparedness,

interest, and sincere intentions with regard to an agreement expected to be consummated as a result of the Vienna negotiations. Our political intent is the primary factor in making a unilateral reduction, although undeniably, this step is also justified by this year's 5 billion forint military spending cut.

[NEPSZAVA] When is the personnel and armament reduction going to begin?

[Biro] On 11 August the Szabadszallas unit will be discontinued, and according to our plan this will be completed by the end of 1990. [as published]

[NEPSZAVA] What magnitude of reduction are we talking about?

[Biro] A 9-percent reduction, which means that by the end of next year the number of personnel in the People's Army will be reduced by 9,300. Simultaneously we will withdraw from the system about 2,500 tanks, 250 artillery units and trench mortars, 9 MiG-21PF chase-fighter airplanes, 6 rocket launchers, and 30 armored transport fighting vehicles. We are dissolving a tank brigade, and we will reorganize another one to become a sharpshooter brigade.

[NEPSZAVA] Could this unilateral step possibly place us in a worse situation—could it not cause an unwarranted change in the military balance?

[Biro] Considering Hungary's geographic location, the first phase of reductions will influence neither the European global balance nor the balance on the battlefield. Essentially, the reductions could be perceived as the beginning of the discontinuation of asymmetries. They are part of changing the army so as to acquire a defensive character, a matter that also flows from the doctrine published by the Warsaw Pact Political Consultative Body in May 1987.

[NEPSZAVA] What will be the fate of the technology removed from the system?

[Biro] It is our fundamental goal to destroy it, or, if suitable, to make it available for use in the people's economy after conversion. Incidentally, until the end of 1990, by which time the removal and destruction of this materiel is complete, we will use some of it for training, or perhaps for experiments. One should be aware that destroying combat materiel is not simple. Tanks must be disassembled, so that they can be placed into blast furnaces. These steel monstrosities do not just roll into melting furnaces following the removal of the system.

[NEPSZAVA] In how many phases do you plan to accomplish the unilateral reduction?

[Biro] The reduction and removal will take place in three steps, by the end of next year, in conjunction with demobilization. Considering the proportions, the personnel reduction will affect primarily the enlisted soldiers. Consistent with the reduction, for the next conscription we will draft fewer soldiers than before.

[NEPSZAVA] Do the reductions also apply to the number of officers and noncommissioned officers?

[Biro] Necessary steps were also taken in this regard, although one must realize that it is primarily the unit branches where the shortage of officers and noncommissioned officers is great. The issue pertaining to professionals is a complicated and sensitive problem, but there are several humane ways to resolve it. I do not have in mind "little back doors" which could provide a foundation for frustrating the decision. And I will not make a secret of the following: The reduction also serves to improve the quality of professional personnel that remain in the army. We are decreasing enrollment in military schools, and more stringent acceptance requirements will be established for applicants. Persons who have passed retirement age will continue to serve only if their continued activity is demanded by the interest of the People's Army.

[NEPSZAVA] What additional perceptions are there in regard to the People's Army?

[Biro] It has been said several times that in the future, by virtue of the fundamental principles of the doctrine, of the defensive character of the alliance, and of Hungary's security policies, the need calls for an army that is smaller than at present, but one that is equipped with acceptable military technology. To form such an army is not a simple task, several factors must be considered, and it is not realistic to implement only unilateral measures, because that could sway the power balance. For this reason, implementation depends primarily on the results of the Vienna arms reduction and disarmament negotiations.

[NEPSZAVA] What is the status of the Vienna negotiations?

[Biro] The second phase was completed recently. At present they are analyzing the most recently submitted proposals, summarizing the findings, and formulating positions for the negotiations to resume in September. And they are making the earlier positions more specific. I can say this much already at this point: Based on the initiative of the Warsaw Pact Political Consultative Body and of NATO, one can sense a favorable political will on the part of both alliances, so that an agreement could be reached within in the foreseeable future. The concept submitted by the two alliances reveals that if an agreement is reached, it will project levels of various weapons categories which can be achieved only through significant reductions. From the 60,000 Warsaw Pact tanks only 20,000 would remain in the system. Among other matters, the kinds of forces that may be concentrated in various regions of the area between the Atlantic Ocean and the Ural Mountains, and what kinds of forces the Soviet Union, the United States, and Great Britain may have outside their respective borders, are important issues. It follows from all this that Hungary is interested in the success of the Vienna negotiations. We are interested in armed force reductions in any event. As a result

of these, the size of the Hungarian People's Army would reach a level consistent with our security policy principles and with the country's strategic position. These levels will also be consistent with Hungary's place and role in the alliance, and with what the country can afford.

Military Morale, Party Presence in Army Discussed

25000400b Budapest NEPSZABADSAG in Hungarian 5 Aug 89 p 17

[Interview by Karoly Freesz with Major General Bela Balogh, air defense command chief; Major General Istvan Bracsok, People's Army MSZMP secretary; Major General Istvan Kovacs, organizational group chief; and Lieutenant General Kalman Lorincz, deputy political main group chief: "Should We Be Afraid of the Army?"; date and place not given]

[Text] As political battles intensify, there is more and more talk about the Army. Although the leading bodies of the MSZMP [Hungarian Socialist Workers Party], the government, and leaders of the People's Army have stated their positions supportive of a peaceful transition, and have stressed that societal debate can be resolved only through political means; still, many are concerned about a forceful return to the old system. On the other hand, not much is said as to whether this anxiety is warranted. Would the Hungarian People's Army be at all suited for a power takeover similar to the 1981 events in Poland? How is the soldiers' morale, how do they relate to the changes? Are they the only ones people fear, or are they also concerned about something? All in all: What is the political mood of the Army? We sought answers to these questions in a conversation with four high ranking military officers. Our conversation partners were Major General Bela Balogh, Hungarian air defense command chief; Major General Istvan Bracsok, MSZMP People's Army committee secretary; Major General Istvan Kovacs, organizational group chief; and Lieutenant General Kalman Lorincz, land forces commander.

Those Certain Conversations

[NEPSZABADSAG] Can the Army's political mood be measured at all?

[Kovacs] The personnel's attitude toward assignments best demonstrates the Army's political and moral condition. In other words: its attitude toward training, development and other tasks, its discipline, and its view concerning state and party policies. One of the proven methods by which these factors can be assessed is the commanders' meetings with soldiers on a regular basis. It has become a practice for leading commanders, including the minister, to meet regularly and to exchange views with soldiers, noncommissioned officers, and officers.

[NEPSZABADSAG] How sincere are these conversations? Could an enlisted man argue with a colonel—can the obligatory discipline "loosen up" to this extent?

[Kovacs] This depends to a large degree on the leader's ability to relax the atmosphere. This is possible in most instances, in my experience. But we also have other methods to appraise the political situation. We regularly conduct morale analyses, we continually evaluate the morale-discipline situation. Moreover, during the past few years we have conducted sociological evaluations.

[Bracsok] In the framework of those certain conversations the subordinates will open up most easily if after a few words of discussion they discover that their superior is familiar with their concerns, that he identifies with them, and that he is prepared to help resolve those concerns.

[NEPSZABADSAG] The real worth of armies is shown in wars. Fortunately, there has been no opportunity for such appraisals in recent times. But there are tests of strength—for example in the course of military exercises or at times of extraordinary natural disasters—which provide a picture of the Army's usefulness. Would the Army stand fast in a critical situation?

[Bracsok] It is true that real appraisals can be made when strength is put to great tests, but whoever does not prepare himself decently for such situations, will not be able to stand fast in the face of the great challenge. Fortunately, at present our life is characterized by peaceful everyday, and we must overcome the obstacles of those gray weekdays.

[Lorincz] To begin with, let me say that I can sense this prejudice on the part of society, which manifests itself vis-a-vis the Army, just by virtue of the fact that this subject is being raised. We are seeing countless signs of this prejudice. For this reason it is very important that we do our work in a manner characterized by predictability and assuredness. To accomplish this we have made gradual efforts during the past years to permit people to better understand the role, the functioning, the internal order, and the concerns of the Army. The results of our exercises prove that our soldiers endeavor to contribute to present day social processes by performing their everyday tasks well. A majority of the professional soldiers and of civilian personnel can be characterized by an active participation in social renewal and in preparedness to act in the interest of modernizing the Army. They understand and approve of the ongoing changes; at the same time, however, they support law and order, because that is what we have learned in military life. They understand straight talk, they do not like to beat around the bush, and since matters these days are not always clear cut, uncertainty has also raised its head in our ranks. Among us here there are also divided opinions concerning certain issues, although they are free of extremes.

We Support Reform and Law and Order

[NEPSZABADSAG] Well then, what is the political situation in the Army, how do professional soldiers and enlisted men feel, what preoccupies their minds?

[Bracsok] It has become virtually commonplace to say that the Army has become part of society. For this reason the same thoughts and concerns appear in the Army as in civilian life. At this time I would talk about the mood of professional soldiers only. I would add that this includes the opinions held by the Army's MSZMP membership, because a majority of the officers and noncommissioned officers are party members. This fact also suggests that our comrades expect guidance in regard to evolution primarily from the MSZMP. One should not be amazed about this, after all they were brought up in this "school." This is why they are disturbed about uncertainty, division, and inconsistency in the party leadership. They have expressed their expectations in several forums, and they are not expecting to hear academicians' key note speeches from party leaders, they do not want to hear sophisticated sentences. Instead they want to hear clear-cut, straightforward guidance which can be translated into daily action. I believe that this is a justifiable expectation. Our party membership supports renewal and more open debate, but it is opposed to extreme statements. Equally, several persons stated that political problems can be resolved only through political means. We were encouraged somewhat by the 23-24 June sessions of the Central Committee [CC]. We hope that hereafter the party leadership will rise above differences of opinion, and will work with greater consistency for renewal. And one more thing: The professional staff is welded together with the MSZMP in its faith, and would feel shortchanged in its citizens' rights if the MSZMP were removed from the Army as a result of parliamentary decision. We are confident that this will not take place.

[Kovacs] I would join in comrade Bracsok's opinion in regard to the fact that the professional staff is united in its commitment to socialism, in its support of the party's and the government's reform endeavors, and in its responsibility to defend the homeland. On the other hand, there are disputes among us in many respects. Thus, for example, many do not agree with the simplistic, single word qualifications that are made in the course of evaluating the 1956 events. There are arguments about the pace by which reform is progressing, regarding the party's situation, and with respect to harmony between political and economic changes.

A few words about the enlisted personnel. Our experience shows that a large majority of enlisted men do not manifest political activity. I would compare this situation to what is said in civilian life: There is a silent majority. Only a smaller part of the enlisted personnel are regularly engaged in political discourse, and among these the palette is colorful. It ranges from communists to members of the Association of Young Democrats [FIDESZ].

[Balogh] A majority of the enlisted personnel view our concerns from an economic standpoint. They are preoccupied with the concerns of people at the start of their careers, of the young establishing families: housing problems, job opportunities, problems in the workplace.

Many experience a more uncertain situation after their discharge than what they experienced before they were enlisted. There can be troubles indeed in the morale of enlisted men unless we can urgently change this situation.

[NEPSZABADSAG] Still on the issue of political conditions: As long as 1956 was mentioned, what would the Army do today in a similar situation? Does it have the moral strength to engage in combat?

[Balogh] An army's tasks are determined by the prevailing state and political leadership. Under solid conditions it would be inconceivable for the Army to act upon its own internal laws. I am convinced that today no soldier in Hungary is interested in arbitrarily interfering with the nation's affairs. We would like to see a recovery from the crisis under stable leadership. Our adherence to the MSZMP does not mean that we adhere to the mistakes that were made. We adhere to the fundamental direction of the party, to socialism, and to the socialist character of the Army.

[NEPSZABADSAG] Let's turn the question around. Thus far you have talked about the fact that civilian society need not be concerned about forceful action taken by the Army. Are soldiers afraid of something, let's say of political processes in Hungary getting out of hand?

[Balogh] The concern is working inside them, not on the basis of existential concerns, but out of concern for the country's future. In a manner similar to his compatriots, the professional soldier is tied to this homeland by millions of strings, and he shares its concerns. For this reason it would be a mistake to assume that we would like to come out of this crisis in some peculiar way.

[Bracsok] I am unable to comprehend why some people do not believe that military officers are Hungarian people just as anyone else. We want tranquility, we want peace, we want a situation in which work can be performed, and we want our work recognized and appreciated. Just like anyone else we have children. We would like to build a secure future for them. For this reason we are somewhat bitter about the constant attacks, about the fact that we must constantly prove our good intentions.

They Are in Civilian Clothing

[NEPSZABADSAG] The attacks leveled against the Army remind me of this: If I am correct, the defense minister issued an order last spring permitting professional soldiers to wear civilian clothing at their workplaces. Why was this necessary?

[Kovacs] There was never a problem about this in the countryside. In recent times some atrocities took place in Budapest, but this is only one of the reasons. The other reason is that a uniform demands a specific conduct that conforms with rules. For this reason it is perhaps more simple, more practical to wear civilian clothing on the way to the workplace.

[NEPSZABADSAG] In what way do the general conditions of today affect the Army? Are new political directions, trends appearing in the barracks, and how does the Army leadership deal with these?

[Kovacs] Following their enlistment, soldiers may continue as members of youth organizations to which they belonged prior to reporting for duty. They may participate in the work of these organizations, but only when on leave. They may not organize or take part in such activities inside the barracks. The Army has a single youth organization: the People's Army Youth Organization. Due to its Patriotic People's Front character, this organization is suitable for the young to participate in its workings, independent of their political views.

[NEPSZABADSAG] And what's the situation with the parties? What would happen if someone were to establish let's say a social democratic basic organization in the Army?

[Lorincz] In our view the Army cannot become a political battlefield. The greatest asset of every army is its intact nature, its preparedness to act as one man. Therefore, in my judgment, the Army cannot permit the emergence of a broad circle of political organizations as civilian society can.

[Bracsok] Whoever would want to organize a party within the Army, could not do so pursuant to the service rules and regulations now in force. Within the Army, those rules and regulations permit the functioning of the MSZMP only.

[NEPSZABADSAG] I must dispute your statement. As far as I know the service rules state that "party, Communist Youth Organization, and trade union organizations operate" within the People's Army. Accordingly, this terminology does not mention the MSZMP, and on this basis a new party could not be denied the opportunity to organize within the Army.

[Kovacs] This is a matter of interpretation, there is no contradiction between what you said and what we said. The introductory part of the rules and regulations are clear with respect to the relationship between the MSZMP and the Army.

[Balogh] This issue keeps our personnel very preoccupied. In my view we must wait until the new party law is enacted. In any event, the Army leadership must count on the possibility that in the future members of the professional core may join any constitutionally registered party, as a matter of citizens' rights.

A Majority of the Professional Core Belongs to the MSZMP

[NEPSZABADSAG] I find the greatest contradiction in the fact that you have come to recognize that the MSZMP's privileged status cannot be sustained in the Army under multiparty conditions. On the other hand you would not like to see the party barred from the Army. What's the solution then?

[Kovacs] From my standpoint the most favorable situation would be if the party law would permit the functioning of MSZMP organizations within the Army, considering the fact that 80 percent of the officers are members of the MSZMP. Obviously, based on the idea of equal rights, other parties should also be able to organize within the Army, if a demand for that presents itself.

[NEPSZABADSAG] How is the Army's present political institutional system? What personal and existential consequences would a transformation draw?

[Kovacs] Last November the MSZMP CC discontinued the direct party management of foreign affairs, defense, and internal affairs. It then follows that the legal status and tasks of army party organizations have fundamentally changed. Direct work forms and cadre authorities have ceased to exist; in the future the MSZMP will be engaged mostly in the upbringing and political orientation of the party membership. Similarly, political education will change. Already beginning in September we are making modernizing changes with respect to both content and organizations. The most important future goal of our educational work will be to develop in our soldiers the moral, psychic, and physical attributes needed for military service.

[Lorincz] We have been working for years on developing the Army's political institutional system. The modernization of training, the qualitative development of the entire Army, demands a more developed educational practice. One cannot accomplish modernization by dealing only with technology like tanks and airplanes. We need people who can manage developed technology. It is for this reason that the development of a new educational structure is important, one that is able to help in a more professional manner than before this "spiritual modernization." At the same time, this body must also be a specialized apparatus which provides knowledge about citizenship and social affairs, and which can teach a healthy lifestyle, because these matters cannot be separated from one another. In addition to all this, the development of patriotism, of historical consciousness, and of a consciousness of the community are extremely important, and so are respect for traditions, and an appreciation for human, moral, and military values. In the future, existing political workers must take part in these activities.

Religious Persecution in Military Denied

*25000416 Budapest NEPSZABADSAG in Hungarian
19 Aug 89 p 11*

[Article and interview with Colonel Gyorgy Keleti, Defense Ministry spokesman, by "K.J.": "It Is Permitted To Have Faith in the Army"; date and place not given]

[Text] In a recent letter to the defense minister, a religious organization called "The Assembly of Faith" stated that "we are continually receiving information about Christians being persecuted at the Szeged Kossuth

barracks. Enlisted men Andras Kovacs, Gyula Szalma, Peter Pal, and Zoltan Lajos, all members of our assembly, were subjected to humiliating questioning and were threatened with proceedings to be initiated by the prosecutor. Their Bibles, religious books, and notes were taken away, their permits to leave the barracks were revoked, and they were subjected to expressions that offended their honor in the eyes of their fellow soldiers."

The minister ordered an immediate investigation to obtain an objective assessment of the situation. Aware of all this, as authorized by the ministry, Colonel Gyorgy Keleti stated that, just as anywhere else in the People's Army, statements claiming adverse treatment, persecution, or mockery of anyone for his religious belief have no foundation in the Szeged Kossuth barracks.

In contrast, Zoltan Lajos, by now in the reserves, performed missionary work among his fellow soldiers. In the course of such work he evangelized reserve soldier Andras Kovacs, and soldiers Peter Pal, and Gyula Szalma in July and August 1989. According to his own statement he used propaganda materials, including an audio tape entitled "Amen," in support of his missionary work. The latter's contents are not at all part of the concepts espoused by religious faith. It was proven that unless impeded by their service duties members of the Assembly did have the opportunity to participate several times a week in sect days [as published] outside the barracks; these individuals also held gatherings of a religious nature within the confines of the barracks.

At yesterday afternoon's Defense Ministry press conference, the investigating officers confirmed on the basis of authentic documents that the rumors had no basis in fact, that the commanders had proceeded in a manner consistent with service regulations, that legal rights were not violated, and that no one was harmed either in a physical or a moral sense because of his religious faith. They also said that "missionary" work within the confines of barracks is prohibited in every army of the world.

[NEPSZABADSAG] Would it be possible that the service regulations modified 2 years ago require correction?

[Keleti] Yes, in certain respects, just as life changes rapidly these days. But with regard to the matter discussed, our position remains unchanged. To my knowledge the minister will not await the promulgation of new regulations, but instead he will take action in the near future on his own authority regarding the kind of literature religious soldiers may have on them.

[NEPSZABADSAG] It is not necessary at this point to discuss details. But permit me to ask one question: Are enlisted men wearing uniforms permitted to participate in religious services or in other functions organized by a church?

[Keleti] This has never been prohibited by the service regulations.

BULGARIA

Consequences of Decree 56; New Economic Conditions

22000090 Sofia *IKONOMIKA in Bulgarian*
May 89 pp 21-25

[Article by Petr Tsankov: "The Liability of the Manager of a Business Firm"]

[Text] Under the conditions of the restructuring that has been effected in the economy, business-firm organization has become the basic form of administration, regulated in article 2, paragraph 1, of Decree No 56 on Economic Activities. In practice, this means opening wide our socialist economy to international markets. At the same time, the results of business-firm activities, which are registered in economic indicators, are no longer evaluated in the production sphere, but in the market sphere.

All this has found expression in the system of norms which continues to be improved. The fact that certain questions are unclarified at this stage is natural, but this obliges the specialists to draw theoretical inferences and to work out and interpret scientifically the problems connected with needs in practice.

The changeover to business-firm organization of management must not fail, however, to establish responsibility for the genuine protection of socialist property against infringements or the role and place of state financial control in this area. It is known that the forms of socialist ownership have been augmented, with obshchina, group and private ownership developing alongside state and cooperative ownership. Each one of these can take a different appearance as a joint stock company, firms with limited and unlimited liability, citizens' firms, etc. since, in accordance with article 10 of the decree, firms can be state, obshchina, cooperative and socialist organizations or company and citizens' firms.

The equal standing of the forms of socialist ownership means that, in view of the indivisibility of socialist ownership, the state must give them identical protection. Analysis of the decree shows that a number of legal guarantees are provided to protect socialist ownership. They must be considered, however, not by themselves alone and in isolation, but simultaneously with the other prescriptive enactments that treat of the questions of its protection.

To begin with, one must take account of the fact that under business-firm organization a number of state functions are changing. Its economic and organizational function in assuring the firms' economic independence comes more and more to the fore. The state remains a subject of administration, but the influence it exerts on processes and events is of an economic rather than an administrative character. The changes that will take place also in self-administration are substantial because the one-man management of and liability for the firm's

members necessitate a change of approach in this regard. It is in this sense that one must also consider the question of the firm's exemption from an obligation to provide guarantees of the defense of society, which guarantees must be assumed exclusively by the state.

All these questions must be examined in the context of building a social mechanism for the protection of socialist property, with a view to providing scope for the development of productive forces and for their fullest harmonization with production relationships. The prescriptive enactment creates a multitude of legal guarantees in this respect, but, in our opinion, the problem of the firm's manager in respect, first and foremost, of the property of the state and the obshchinas, of the cooperative and the socialized organizations is very substantial.

Under business-firm organization of the administration of the economy, the status of a firm's manager is very complicated. On the one hand, he combines the functions of a representative of the state who must protect the state's interests, and, on the other, those of a representative of the labor force which, via the firm's board of managers, elected him.

It must be said at once, however, that his great economic independence in solving the economic problems that arise does not mean privilege in carrying all his activities. He is obliged to abide unconditionally by the laws currently in effect, to administer lawfully the property entrusted to him, and to exercise control such as will ensure preservation of the economic substance of the firm in question and of the socialist property entrusted to him. Primarily of interest, in the event, is article 27, paragraph 5 of the decree, regarding three important possibilities of a firm's manager's being dismissed before the end of his term by the board of managers or by the pertinent authority under article 11, paragraph 3 of the decree, solely in cases where he commits a violation of the prescriptive enactments; he manages badly the property entrusted to him; he manages the firm inefficiently.

In the first case, etymological comparative analysis shows that the legislative intent is not systematic infringements of current prescriptive enactments, because the reference is obviously not to a "process of committing," but rather to when he "commits" one or more violations of one or more enactments a single time. This shows that just one single violation of some prescriptive enactment can be grounds for dismissal of the firm's manager before the end of his term. The legal requirement is of great practical significance for application of the decree, something which must be borne in mind if violations on the part of audit financial control or by law-enforcement agencies are found.

In our opinion, this intensified protection is justified. Any official, and in particular the manager of a firm who has broad legal powers may manage its operation only given absolute observance of the current prescriptive enactments.

We must emphasize that such an approach is socially beneficial. But the very wording of the text shows that a greater precision of definition is necessary. In a broad construction, by "prescriptive enactments" must also be understood an enactment of a given obshtina council—for example, a violation of ecological requirements with no damage done to the environment. According to the provision of the decree currently in effect, the manager of the firm must be dismissed before the end of his term. The question may well be asked whether this is socially justified since no significant public interests have been affected. It would obviously be far more acceptable if this legally binding enactment, not itself passed as law but issued in consequence of a law, said, "for violations he commits of legal enactments," whereby the degree of the firm manager's culpable behavior would be concretized, so as to protect significant social interests.

Under such treatment of the matter it should be pointed out that, apart from the administrative violations and the corresponding sanctions imposed therefor, there is an indisputable interest in prosecution for acts with a high degree of public risk, which under the Criminal Code of the Bulgarian People's Republic are crimes. These are mostly legal violations having to do with prices and price-setting and with crooked deals—regulated also in article 50 of the Regulations on Enforcement of the Decree on Economic Activities, and touching upon the suspension and liquidation of firms, various crimes of misappropriation, thefts of state and communal property, embezzlements, extortions, documentary fraud, etc.

In the second case, bad management of the property entrusted to him is grounds for the board of managers to dismiss a firm's manager before the end of his term. Obviously applicable in such event is an administrative measure against anyone who fails to manage the property entrusted to him in accordance with requirements and who violates the prescriptive enactments currently in effect, with resulting injury to the firm's patrimony. Whenever the indicia of a crime are actualized by the violation, he must then bear criminal liability for mismanagement under article 219 of the Criminal Code. In the sense of article 93, section 1, of the Criminal Code, a firm's manager is an "official," because he is charged with performing for pay, temporarily or permanently, in a state, obshtina, cooperative or public-organization firm, the service of managerial work involving the protection of public property, in consequence of which he must, in the event of bad management, apart from administrative liability, bear criminal liability as well. Actualization of the indicia of elements of this crime means failure to bestow sufficient care on the management, administration, husbanding or preservation of the property entrusted to him, or on the task with which he is charged, and hence there results significant damage, destruction or dissipation of the property or other significant damage to the enterprise (in the case of the firm) or to the national economy.

"Bad management" can also be a case of irreversible consequences for the firm ensuing from misappropriations, thefts etc., which must be taken into consideration

in the context of criminal prosecution of the manager of the firm. With the result that, apart from the administrative measure of "dismissal before the end of his term," he should be brought to book criminally as envisaged in the Criminal Code for the act he has committed, but in any event under article 219 whenever significant damage or harm has been done as a result of bad management of the firm's property.

The third ground for dismissal of a firm's manager before the end of his term is "inefficient management." In practice, this means failure to achieve targeted financial results, which can be a consequence not only of bad management, but also nonobservance of the prescriptive enactments currently in effect. However, just as in the preceding case, the taking of the administrative measure of "dismissal before the end of his term" does not exempt the manager of a firm from criminal liability if he, by his actions or inactions, has actualized some of the indicia of elements of a crime—for example, liability for mismanagement under article 219 of the Criminal Code, for violation of the explicit provisions for settling up with the state, with concealment of data or entry of false data in the tax declaration under article 313 of the Criminal Code, etc.

By way of illustration, it must be pointed out that in cases where failure to achieve specified results and inefficient management of the firm may be a consequence of inadequately exercised control over the work of personnel to whom the administration, management and accounting of public property had been entrusted, and from this there resulted not some nondescript, but only significant damage to the enterprise (in the case of the firm) or to the national economy, the manager too will bear the criminal liability provided for under article 219 of the Criminal Code.

It is known that incidents of mismanagement are penalized according to their gravity. If the manager of a firm, dismissed before the end of his term, has committed a deliberate crime which, however, has no characteristics of a comparatively grave crime, or if the crime is on an especially large scale and represents an especially grave case, the penalty will be far heavier than the sanctions provided in paragraph 1 and paragraph 2 of article 219 of the Criminal Code. The situation with respect to the liability to declare income etc., provided for under article 313 of the Criminal Code, is similar.

Consequently, whenever the conduct of the manager of a firm contravenes the requirements for its lawful management, it is not penalized solely in accordance with the administrative procedure envisaged in the decree. The culpable official also bears a liability under the laws currently in effect regarding his culpable and unlawful conduct. This shows that the problems of protecting socialist property must not be considered onesidedly, with an evaluation thereof only against a background of the administrative violations committed and the administrative penalty of "dismissal before the end of the manager's term," but also whenever the indicia are

actualized, against a background of some of the elements of the Criminal Code. In this manner is assured the necessary legal protection of the socialist property that is entrusted to the manager of the firm for management and administration. This is something that the agencies of state financial control must consider too.

HUNGARY

First-Semester Economic Data Discouraging

National Planning Office Report

25000392 Budapest HETI VILAGGAZDASAG in Hungarian 5 Aug 89 p 6

[Text] Economic processes, and primarily production, were characterized by old trends during the first half of the year, the National Planning Office [OT] analysis of the first 6 months of 1989 revealed. The plan calls for a surplus of between \$400 million and \$500 million in foreign trade subject to settlement in convertible currencies. Essentially, such trade has evolved as planned, but the balance of payments deficit may be substantially larger than planned by the end of the year. By the end of the year the balance of payment deficit may reach \$600 million, which is attributed to tourist shopping. The balance of payment surplus subject to settlement in rubles also shows an unfavorable increase. Thus far a greater than planned indebtedness subject to settlement in convertible currencies has financed larger than estimated credit finances in rubles.

The state budget deficit for the first semester amounts to 39 billion forints, whereas the planned level of deficit at year's end is 20 billion forints. Budgetary revenues on a time proportionate basis are substantially smaller than forecasted, while expenses are close to planned levels. The phenomenon of so-called enterprises standing in line, meaning constrained grants of credits among enterprises, has increased further and has exceeded 64 billion forints. This has become one of the most critical issues in the financial system, according to the OT report.

Production further declined in June. The volume of first semester production by the socialist industry is 1.5 percent lower than in the same period last year. The volume of production may reach the level forecast for the entire year, but it will be realized in a structure that is less favorable than planned. In the framework of convertible currency settlements of the first 6 months, the merchandise trade balance showed a \$150 million surplus—\$100 million more than last year—but temporary factors, such as the dollar having gained strength in the international money market and the foundry boom, significantly contributed to favorable results seen in merchandise trade. The largest growth in exports was registered relative to base materials and food products. Merchandise trade subject to settlement in rubles showed a 355 million ruble surplus in June, as compared to 150 million rubles in 1987 and 100 million rubles in 1988.

Both wages and consumer prices increased faster than planned during the first half of the year; and taken together the population's real income and consumption exceed the plan, according to the OT analysis. Taxable personal income increased by 3.3 percent, while income exempt from personal income taxes increased by 63 percent. Between January and May the net average earnings of industrial employees exceeded last year's earnings by 19 percent. During the first 5 months the consumer price level exceeded last year's by 15.1 percent, mainly because of production price increases. Retail sales during the 6-month period increased by 18.3 percent in price, and by 1.2 percent in volume. During the first half of the year the population spent 28 billion forints on foreign exchange, as compared to 10 billion forints a year earlier. Processes different from those planned ensued as a result of the fact that instead of decreasing the population's real income increased, and that instead of a planned decline of between 4 and 5 percent, real wages declined only by between 1 and 2 percentage points. The increased purchasing power appears largely in the form of individual shopping abroad, according to the OT report.

National Planning Office Chief Interviewed

25000392 Budapest FIGYELO in Hungarian 3 Aug 89 pp 1, 6

[Interview with Gyorgy Suranyi, National Planning Office state secretary, by Robert Beesky: "The First Semester: It Would Have Been Better Without the Tourist's Cane"; date and place not given]

[Text] The balance sheet for the first half of 1989 has been prepared. Although these days more attention is being paid to political evolution, the kinds of economic conditions we enter the 1990's with are not negligible. We tried to obtain an explanation from Gyorgy Suranyi, National Planning Office state secretary, as to those economic conditions.

[FIGYELO] I would think that the the events of the initial months of the year present no pleasant memories for the government.

[Suranyi] I do not believe that I need to go into details concerning the fact that unchanged customs and related tax regulations, the liberalized foreign exchange supply provided for tourism, and the failure to streamline commercial and tourist customs duties would have sufficed to deteriorate the balance of payments subject to settlement in rubles. This was topped by individual and business expectations—incidentally appropriate expectations—for the devaluation of the forint, which indicated a new, added demand for convertible currencies. And finally, to all this there was added the unprofessional, delayed, mistaken introduction of some measures, such as customs duties, the forint devaluation, and the turnpike tolls.

[FIGYELO] In the view of professionals, real fears and debates have centered more around the liberalization of economic policies.

[Suranyi] Based on the first half of the year—too short a period to permit one to draw valid conclusions, of course—liberalization as a change in economic policy direction may be deemed successful. The merchandise trade balance subject to settlement in convertible currencies shows a surplus of about \$150 million, roughly \$100 million more than at this time last year. All this along with an 8-percent increase in the export volume, and a 6-percent increase in the import volume. Accordingly, mainly as a result of successful monetary policies, we succeeded in getting in the way of runaway imports.

Similarly, the liberalization of pricing policies did not lead to processes much different from those planned. Consumer prices during the first half of the year increased by 15 percent, which is higher than what was planned, on the other hand they amount to 1.5 percent less than in 1988. Producer prices increased at a rate faster than last year, but in this regard we must take into consideration that during the first quarter of last year we froze producer prices. According to our estimates, a less than 16 percent inflation rate may be expected by the end of the year.

Individual gross and net income increased by 20 percent—much higher than expected. Thus, instead of a 4-percent reduction in real wages, they increased by 4 percent. On the other hand, as a result of interest policies which assure real long-term gain, and due to new investment opportunities, individual savings evolved more favorably than expected during the first half of the year. One should add that during the first 4 or 5 months of 1988 wages increased only barely, while this year they had already leaped high by January. During the second half of last year we experienced acceleration, this year we expect to see a slowdown. Taken together, the rather significant lowering of administrative barriers did not cause any serious tension during the year thus far.

[FIGYELO] This picture is not much more rosy than what we saw in late May, when the government was forced to develop a package plan because of a much larger than planned budgetary deficit.

[Suranyi] The deficit which holds some real serious dangers must not be attributed to liberalizations; the tensions between the state household and the other economic actors are causes related to the economic structure, and are the results of the failure to liquidate loss operations, a smaller than expected reduction in subsidies, and the negative balance of tourism. Nevertheless, the way the budget evolved is also due to planning mistakes made in the course of budgeting. In early 1989 the payments by enterprises failed to materialize according to the planned—I might add badly planned—time schedule. On the one hand, enterprises this year demanded the return of the overpayment portion of an advance tax payment due last year. This

resulted in between 10 billion and 12 billion forints less revenue in the budget. On the other hand, a technical change took place in the basis upon which advance tax payments are calculated. The effects of this change were not taken into consideration. In 1988 advance tax payments were made consistent with a high rate of gain experienced in 1987, while in 1989 the substantially lower gain of 1988 was taken as the basis. In principle, this should even out by the end of the year, nevertheless it caused a loss of revenues in early 1989.

[FIGYELO] Nevertheless, the growth data of the first semester do not hold much promise regarding the elimination of the structural causes of the budget deficit.

[Suranyi] I am somewhat more optimistic than that. The stagnation of production in and of itself does not provide an indication of structural change, the final balance of large advances and large backwardness can also be zero. Certain signs of favorable change are manifested by the Hungarian economy, for example in the fact that mining production during the first half of the year declined by 8 percent, and that there are serious sales problems in certain subbranches of the light industry. On the other hand, certain segments of the machine industry, such as the instrumentation industry, registered dynamic growth.

[FIGYELO] And the foundry industry?

[Suranyi] That's a more complicated issue. The aluminum foundry industry increased its production and exports to an extraordinary extent, and at present that industry is very efficient. Also our trading rate with the capitalists, taken as a whole, has improved by about 2.5 percent. I cannot state, however, that a turnaround has taken place, because the bulk of growth took place in areas sensitive to the business cycle, and as a result of a boom.

[FIGYELO] Also the external balance appears to be rather contradictory.

[Suranyi] The current balance of payments deficit at the end of the first semester amounted to \$920 million. The much larger than planned negative balance was caused by a more than \$400 million deterioration in the tourist balance. At this time last year there was a \$77 million surplus, while now we show a negative balance of \$340 million. It is by just about this amount that our capitalist balance of payments has worsened. The increased interest expenses were evened out by the surplus in the capitalist trade balance.

[FIGYELO] On the other hand, we would have preferred to forget about the surplus that appeared in the framework of socialist trade.

[Suranyi] As compared to a similar period last year, the 800 million ruble surplus represents a 900 million ruble improvement, one which we indeed did not plan. This resulted in part from a 360 million ruble surplus—as

compared to a planned deficit, and in part from a 400 million ruble surplus that evolved as a result of tourism and other items.

[FIGYELO] And what explains the evolution of processes in a diametrically opposite direction to what was planned?

[Suranyi] The monetary policy of the past 2 years was fundamentally restrictive. This includes the slowing down of inflation, the restriction of domestic demand, as a precondition for liberalization. This policy appeared to be suitable for producers to seek external sales opportunities in the midst of a shrinking domestic market. But monetary policy is incapable of bearing influence on proportions. Thus, to put it in more extreme terms, the more efficiently restrictive policies work, the larger the enterprises' interest in effecting socialist exports. On the other hand, under present conditions we are unable to bear influence on interest expressed for our goods by the people in CEMA countries.

[FIGYELO] Is this so despite the fact that according to the enterprises, regulations pertaining to ruble exports were changed several times in a manner that is disadvantageous to us?

[Suranyi] Yes, because CEMA's payment terms—prompt payments as compared to between 60- and 90-day payment terms in dollar settlement—are extremely attractive, particularly if one considers higher than 20 percent interest rates. This situation revealed itself by virtue of two facts: On the one hand, the enterprises take much greater advantage of contingents than they did earlier; on the other hand, exports increased in an unusually dynamic fashion even where contingents were reduced this year. This raises concern over an intention to force advance deliveries. But the government is determined not to issue permits for advance deliveries. These processes also demonstrate that reforming our CEMA relations cannot be delayed.

[FIGYELO] Let's look a bit forward. What can we expect to see by the end of the year?

[Suranyi] For the end of 1989 we are counting on an approximate growth of between zero and 0.5 percent, an inflation rate below 16 percent, and a larger than expected dollar balance of payments deficit. In the ruble relationship, on the other hand, although it is our intention to reduce the surplus, that surplus is expected to exceed planned levels. On this basis the 39 billion forint budget deficit this semester may be reduced to between 20 billion and 21 billion forints by the end of the year, which in turn provides an opportunity to develop a medium-term credit agreement with the International Monetary Fund.

[FIGYELO] Some more difficult years are ahead from the standpoint of repaying loans. Is there some program being prepared to cover this situation? Regardless of what kind of government there will be, this problem cannot be avoided.

[Suranyi] We are working on three alternatives. The first two are based on normal external financing conditions and have as their goal to gradually improve the balance of payments. The difference between the two may be found in the planned rate of inflation. The third alternative is based on a much faster restoration of the external balance as a result of heavier internal sacrifices in terms of inflation and unemployment. Regarding the direction of internal changes, all three alternatives have as their common strategic goal the development of a multisector, mixed ownership economic policy which provides long-term assurances for the secure operation of a private economy. The avenue by which this can be achieved leads through proprietary reform, privatization, the establishment of a capital market, the liquidation of losing enterprises, continued liberalization, and the placement of social policies and housing management on new foundations. As a result of these the conditions for rendering limited convertibility for the forint may become a reality during the initial years of the 1990's.

New Outlook on State Budget Urged

*25000415a Budapest NEPSZABADSAG in Hungarian
16 Aug 89 p 8*

[Article by Laszlo Andras Borbely: "State Budget Concerns"]

[Text] The Ministry of Finance attempt to define theses for a legislative proposal concerning the state household lacks a change in outlook. The material contains certain positive changes—e.g., the expansion of information provided to parliamentary representatives by virtue of constructing a balance sheet on state assets, but these, at least it so appears, leave the essence of the functional and decisionmaking mechanism of the state household untouched. In other words, even if the the planned actions are implemented, the state household would not serve primarily the citizen. The situation would be the reverse: The citizen would continue to serve the state household.

What are the obstacles left untouched by the proposal, the obstacles whose removal is indispensable before we can finally rectify this upside-down situation?

Section-by-Section Approval

One obstacle is that, in essence, National Assembly representatives have a choice similar to what a one-time shopper has. According to practice followed thus far, following a brief committee debate, representatives cast one vote in regard to the household plan advanced by the finance minister. Therefore, disregarding minor amendments, all they do is either accept or reject the entire proposal. But since there has been no precedent for rejection during the past 40 years, to this date the value system of the initiators as it evolved in the course of informal bargaining, has fundamentally determined the budget structure. It is in this way that the large scale reallocations of income for almost 40 years have been

realized. Sometimes they were implemented through natural means, on other occasions through fiscal means. These reallocations played a decisive role in maintaining bureaucratic management and thereby the power structure.

Considering the present situation, the best method by which this system can be done away with is for the National Assembly to cast votes in regard to each section of the proposed budget, rather than casting a single vote for the proposed budget as a whole. Representatives have already cast separate votes concerning certain elements of budget revenues (see, e.g., the laws concerning the entrepreneurial profit tax, or the personal income tax rate.) Why could the same not be accomplished on the expenditure side? An item by item discussion of the expenditures would be important because this method would establish an opportunity in an institutional form for representatives to make changes in internal ratios recommended by the initiating apparatus, within given possibilities. This could be influenced even through the sequence in which various items are called up for debate, by calling first the expenditure items that received less attention before (e.g. education and health care).

The other significant obstacle is the absence of openness, even though in this regard some favorable changes have taken place in recent times. The very fact that the Finance Ministry's proposal is not classified as strictly secret means something. These measures, however, are insufficient foundations for decisionmaking and for public recognition. One of the great shortcomings of the legislative proposal concerning the state budget is the fact that it does not provide for clear-cut legal guarantees. For example: How could representatives render decisions concerning subsidies paid to organizations doing business if they are not aware of exactly who receives such subsidies and for what reason. Not to mention such minor matters as the right of taxpaying citizens to learn what their tax money is used for. For this reason, information related to the state household budget should be made accessible as broadly as possible. Support provided to enterprises must not be secret, either at the enterprise or at the state level, because ultimately, directly or indirectly, such subsidies reach into our pockets.

(A good example for the obscure situation that exists today is the recent debate concerning the cost of producing a ton of aluminum. Having considered the various subsidies received under various legal provisions, the Hungarian Aluminum Trust and an independent expert presented totally different figures. On the other hand, such matters are not at all indifferent from the standpoint of judging export efficiency and enterprise profitability.)

Speaking of openness, the secrecy pertaining to the management of armed bodies deserves special attention. The most recent debate over the government program to reduce expenditures well manifests the conflicts already at this time. In this case secretive behavior cast the

holders of secrets into disadvantageous positions. The Defense Minister's representative tried in vain to prove to the defense committee of Parliament that the planned, and since then adopted, 3.2 billion forint midyear expenditure reduction would place the ministry in an impossible situation. Representatives were unable to give serious consideration to this viewpoint mainly because they were unaware of defense budget details.

No Manipulated Data

Broad publicity makes sense only if the information is real. Also from this standpoint, the fact that the fiscal year begins on 1 January and ends on 31 December may be regarded as an obstacle to a changed outlook. As a result of this situation the revenues managed by the budget on the one hand, and the actual year-end situation of the budget on the other, travel separate paths. One cannot accurately tell at the end of December, and not even in January, the actual size of revenues and expenditures managed by the budget! This is mainly because at that point not even the enterprises are aware of the amount of profits they closed the year with, because generally they prepare their closing balances in February. And only thereafter will it be revealed how much of the advance tax payments made by enterprises constitute over payments or deficiencies; and similarly only later, in late March or April, is the exact amount of individual income tax payments revealed, because individuals have until 20 March to make such payments.

Differences between the money balance on the one hand, and the actual—result oriented—revenue balance on the other provide a number of manipulative opportunities for those who prepare the budget balance. It frequently occurs that excess revenues that show up in the result-oriented balance are "swallowed up." By this I mean that the excess simply disappears from the following year's money balance, i.e. that such funds are not allocated publicly anywhere. It would be interesting to find out what will happen, or what would happen to the approximate amount of 20 billion forints of excess revenues collected in the form of personal income taxes. The revenue items of the state household budget money balance show personal property tax payments of 61.3 billion forints. On the other hand, by 20 March the actual personal income tax payments made by individuals amounted to somewhat more than 81 billion forints.

Obviously we must reduce the manipulative opportunities available to the initiators of the budget, if we want the substantive decision not to be made by the apparatus, but by the National Assembly instead. It is equally obvious that such manipulative opportunities cannot be terminated entirely. On the other hand, in the interest of reducing the number of such opportunities, it would appear useful to reschedule the fiscal year. Namely, if Parliament debates the previous year's budget report and the following year's budget proposal at times when final data are available, the difference between the two above-mentioned balances could be greatly reduced, and so

would the possibility of manipulation with the differences. (This would appear a far more important consideration than working in tandem with the preparation of annual people's economy plans—a matter referred to by the proposal in the interest of maintaining the present arrangement for the fiscal year.)

Impediments

Doing away with the obstacles enumerated does not in and of itself enable the evolution of a citizen centered budget. Many more impediments must be discontinued in order to accomplish that. (These include e.g. parliamentary control over state investment projects financed by the State Developmental Fund and other funds; termination of the paternalistic role played by county councils; a comprehensive review of the functions and sustenance mechanisms of budgeted institutions.) The accumulated indebtedness of the state as it relates to state household reform deserves special attention. Once the market economy is developed, the almost 950 billion forints of indebtedness will become the largest problem of the state household.

Employment, Career Paths Abroad Described

25000418a Budapest NEPSZÁVA in Hungarian
8 Aug 89 p 5

[Article by Agnes Peredi: "Individuals Accepting Jobs Abroad: Scientists Need Not Go From Door to Door"]

[Text] Since 1 January the licensing rules for individuals seeking jobs abroad have been further relaxed. Virtually anyone may travel anywhere as a matter of citizens' rights—as long as there is a place to go. Who goes where? This is the subject of our inquiry.

In Budapest the number of licenses issued during the first half of the year increased by 70 percent. Practically all applicants received licenses.

"We reject applications only if the applicant does not have a passport, or is unable to establish a work relationship because he is, for example, handicapped," according to Dr Laszlo Kalmar, Budapest City Council deputy division director. "The law also provides for persons who may be in possession of state or service secrets. In such cases the application may be denied. The employer should provide information concerning such circumstances, but the situation is odd, because rules permit the issuance of a license to persons who do not have an employer in Hungary. Thus many people will quit their jobs if their workplaces do not approve their leave of absence for any reason.

"Conditions also include a requirement that the applicant have an offer from the foreign employer. But it is well known that an offer does not obligate anyone to do anything. They either comply with the terms of the offer, or they do not."

Deported Without Mercy

"In earlier days," Kalmar continues, "the ministry recommended that we provide licenses to persons departing for Austria only if the Austrian authorities granted a work permit. This action was actually meant to protect the interests of Hungarian citizens, because without a work permit they could experience serious trouble. This year's council of ministers decree, however, leaves it entirely up to the citizen to take or not to take the risk. And there are risks. Especially in the FRG and in Austria they have made the criteria of possible employment for Hungarians more stringent. A person found working without a work permit is punished severely. And although no one brags about this, the cases become known."

An example is the case of two young men who were lucky enough to get away with the matter in the FRG, because they were simply sent home without having to pay a penalty. Responding to trade union pressure, the authorities do not simply look aside when they find someone working illegally. They will deport persons who get caught without mercy; moreover, they will not permit such persons to return to those countries for a certain period of time.

Austrian rules concerning employment without a work permit are also very stringent. It is rumored that if in the process of crossing the border they find a trowel along with the passport, they will return that person, despite the fact that Hungarian citizens may travel to Austria without a visa.

This is because many masons would like to try their luck in the FRG or in Austria. But it is almost certain that no work permits will be issued in that trade. Nevertheless there are some who will try again and again.

Girls Become Nurses

The record shows that, lacking work permits, two-thirds of those who found an employer in the FRG had to give up their plans. The more determined ones found out that it is not worthwhile to experiment again with the same firm, because the authorities are not likely to change their decision. They look for a new employer instead.

Nevertheless, two-thirds of the applications submitted in Budapest have the FRG or Austria as their destination. The ratio is half and half, more or less. These countries are followed by the United States and by Canada, and recently Finland has also become fashionable.

"The greatest demand is for the technical intelligentsia," according to Mrs Ferenc Mecseki. Every day she handles cases of people about to go abroad. "About two-thirds of all the applications are submitted by engineers, mainly computer technology experts. The list of the remaining one-third is headed by persons employed in the catering industry, but nowadays there are quite a few skilled steel workers, locksmiths, tool makers, and turners. It has become very fashionable for young girls fresh out of high

school, or perhaps with a newly acquired degree in education, to depart for the United States, Canada, England, or the FRG as housekeepers or nurses. They receive very small wages on top of room and board, but they take these jobs mainly to practice their language skills.

The new licensing process does not distinguish as to whether the applicant intends to find a job in his own trade. Accordingly, in theory the possibility exists that a person holding a degree would accept a laborer's job, if that is what he thinks is right. But there were no examples for this among the applicants. If for no other reason, because foreign work permits are granted easily in most instances to persons holding degrees.

"Scientists need not go from door to door," Mrs Mecseki says, "there is virtual certainty of their employment. Because they are indeed taking our well educated people."

From Budapest alone, about 100 university professors and researchers are staying abroad with individual employment permits as visiting professors or as researchers. (This figure is over and above the number of persons on official trips with foreign scholarships!) Indeed, a country must be wealthy if it can afford not to pay enough money for its scientists, so they go abroad by the dozens. Undoubtedly, however, this also has its advantages. They can learn about the most advanced scientific results throughout the world, and bring home that knowledge—if they bring it home.

Although in a significant part of instances Hungarian researchers are employed in positions commensurate with their knowledge, and their findings are gladly put to use, occasions when they are required to perform "coolie work" are not rare. Many physicians cannot practice medicine in many countries without having their degrees recognized, they cannot go near patients, they are permitted only to conduct animal experiments. Most Hungarian researchers and visiting professors accepted and received work in the United States and in Canada.

They Play a Subordinate Role

Organizing individual employment is slowly becoming a separate line of business. Hungarowork Limited Liability Corp., a joint enterprise of Tesco and the National Labor Market Center has been newly formed. It intends to relay prospective Hungarian employees abroad. But one also finds employment advertisements placed by foreign firms in the newspapers. An Austrian firm is recruiting candidates in 15 countries: skilled workers as well as persons with intermediate and higher education. The international expert exchange deducts 3 percent of gross wages earned during the first 3 months as an honorarium, and requests only 10 West German marks for finding candidates.

Accordingly, this matter is beginning to take the form of a regular business, with all the advantages and risks of regular business. The risks include the fact that if, for example, a divorced husband goes abroad, he may avoid payment of child support if he wishes to. Another risk is that discrimination and atrocities experienced by guest

workers must also be tolerated. Because the fact is that today Hungarians seeking employment in the Western labor market play a rather subordinate role. Conditions are dictated by foreign demand, and not by wishes formulated in Hungary. But as long as the Hungarian labor market is the way it is, as long as good specialists are paid inadequately, one need not wonder why many try to acquire financial muscle abroad.

Environmental Protection Enforcement Examined

*25000415b Budapest NEPSZAVA in Hungarian
3 Aug 89 p 16*

[MTI report: "Violations of Law Within the Law: Several Environmental Protection Decrees Must Be Changed"]

[Text] The Supreme State Prosecutor's Office called the attention of the Environmental Protection and Water Resource Management Ministry to the need for changing several legal provisions. This took place in the wake of a nationwide investigation conducted by the prosecutor's office concerning the activities of 11 environmental protection and water resource management directorates. The investigation concerned hazardous waste and the legality of related activities.

The investigation was undertaken to find out how the environmental protection authorities perform their control functions relative to the creation and neutralization of hazardous waste, whether they perform their legally mandated duties when necessary, and whether they ensure the consistent implementation of enforcement orders. Accordingly, the prosecutor's office reviewed the actions of the authorities, not of organizations doing business.

The investigation established that last year, in relation to hazardous waste, there were 152 instances in which environmental protection authorities ordered the payment of fines. The fines amounted to a total of 90 million forints. Most fines were levied for violations of rules in connection with the gathering, temporary storage, and neutralization of hazardous waste. Although according to the summary report characteristically the authorities apply the Council of Ministers decree concerning hazardous waste, and the related ministerial decrees in a manner consistent with law, the prosecutors discovered violations of laws and other deficiencies in more than 250, or one-fourth of the cases examined. Appropriate steps have been taken to discontinue these violations.

POLAND

Attempt To Defog Rakowski Government's 1989-92 Economic Program

*26000647 Warsaw TRYGODNIK SOLIDARNOSC in
Polish No 9, 28 Jul 89 pp 1, 4*

[Article by Janusz Jankowiak: "Yet Another Reform?"]

[Text] People tired of the situation in the market are asking: What next? What is in store for us after the period of price and wage freeze comes to an end?

There is no good answer to these questions. There are only assumptions. There is also a certain document which the government of Prime Minister Rakowski left for us as an inheritance. This document is called "Outline of the Economic Program for 1989 Through 1992."

The history of this program, as well as its content, has remained shrouded in the fog of secrecy for us, the most interested ones. Let us try to lift this fog somewhat.

I. A special group, set up by the minister of finance and charged with developing the so-called adjustment program for the Polish economy, has been at work for a long time now. The International Monetary Fund recognized this program to be a condition for beginning talks on the restructuring of foreign debt and provision of new loans.

"The Outline of the Economic Program for 1989 Through 1992," adopted, as we learned from the press, by the Council of Ministers on 30 June, is essentially quite a precise sketch of this very "adjustment program." Representatives of the government say that this document was warmly received by the IMF experts, although people in Poland do not know too much about it. Apparently, at the headquarters of the fund it was recognized to be the first outline of the program worthy of a discussion and providing the basis for beginning negotiations with Poland. As we could have surmised from these statements, the document had already been sent to Washington.

I believe that discussions with international financial organizations about the shape of the Polish economy are educational. However, I think that it is equally important to tell the people what they can expect if the assumptions of the economic program outlined by the government right before its resignation were to become reality.

I also believe that it is highly desirable to obtain an answer to this question: Why was a document of such great significance for the entire society accepted by the government and tossed out into the international arena with such great haste, without a debate in parliament, without as much as an attempt of some kind to inform the people about its content?

I believe that facing the new National Assembly with an accomplished fact is, in this particular case, a peak of political irresponsibility, especially if we take into account the socioeconomic provisions of the roundtable, which are apparently in effect. The shifting of responsibility by the outgoing government to the parliament, in which representatives of the opposition sit, for the social consequences of a decision made without any social control is an element of political strategy the consequences of which may turn out to be lamentable for both sides.

I would like to be mistaken, but I believe that the worst variant of endowing the opposition with shared responsibility for the fate of the country has been opted for—the variant "by force," abandoning the ludicrous playing of the game "your president—our prime minister."

II. Let us try to outline the main assumptions of the governmental "adjustment program," of course, very concisely:

1989

1) cancellation of official prices for food, means of agricultural production, and tariffs for PKS [State Motor Transport] haulage;

2) considerable increases in the official prices for coal, electricity, and gas;

3) a decline in the real value of subsidies by 25 percent; a cut in the rent subsidies to the amount corresponding to 15 square meters of floor space per tenant, but no less than 40 square meters per apartment (these subsidies will be consistently reduced);

4) introduction of "hard financing," "hard-to-get loans"; preservation of centralized control over the growth of wages;

5) insolvency of many enterprises, a drop in production, unemployment; the introduction of unemployment benefits;

6) beginning with the third quarter, banks will cease giving loans for longer than 6 months; the rate of inflation exceeds 100 percent;

7) "leaping" interest rates depending on the rate of inflation; the devaluation of the zloty; a flight from the zloty to real money; depreciation of the national currency,

8) circulation of promissory notes is introduced;

9) "infeasible" centralized investment projects are suspended;

10) laws: on the transformation of state enterprises into companies, on the sale of state assets, and on the operation of the capital market;

11) restoration of the institution of municipal property;

12) new guidelines for settlements between local budgets and the central budget;

13) an antimonopoly organ becomes a separate organization;

14) establishment of investment banks and the Fund of National Property;

15) disbanding national unions of cooperatives;

16) loans from abroad in the amount of \$650 million are assumed.

1990

1) cancellation of the remaining official prices; cancellation of tax preferences;

2) transformation of state enterprises into joint-stock companies of the state treasury (20 percent of the shares for the workforce; 60 percent for the investment banks, or partnerships of the state treasury and territorial self-government, with the controlling share remaining in the hands of the state; 20 percent of shares for the Bank of National Economy); rudiments of the capital market—free trade in shares by banks at the exchange;

3) sale of small, unprofitable companies in the state sector;

4) expansion of turnover in the currency market;

5) elimination of the budgetary deficit through, among other things, eliminating preferences for exports, reducing subsidies for the housing sector, cutting back the expenditure for the MON [Ministry of National Defense] and MSW [Ministry of Internal Affairs], introduction of fees for food in hospitals, more expensive drugs, elimination of free drugs, increases in the rate of ZUS [Social Security Agency] contributions from remunerations, and so forth;

6) emission of treasury certificates and bonds;

7) interest rate higher than inflation;

8) a very considerable decline in the average profitability of production (the share of profit to be distributed in sales declines from 10 to 6 percent), or the insolvency of further enterprises.

1991

1) introduction of the tax on personal income to be paid by everyone who is employed and the value-added tax (VAT) instead of the turnover tax;

2) transition to settlements in [hard] currency with the countries of real socialism.

1992

1) the rate of increase in the money supply is smaller than the rate of growth of prices;

2) abolition of centralized restrictions on wages;

3) balancing of current payments; licensing of exports to the so-called first payments area [socialist countries]; the diversion of a part of the stock of merchandise previously exported to "fraternal countries" for exports to the capitalist states;

4) continuing decline in gross product.

Of course, this entire program is based on the assumption that the issue of paying the interest and capital installments due to our creditors will somehow be resolved. Besides, still new loans from the West are to be received. By the end of 1992, the debt of Poland is to increase by another \$6 billion.

III. The concept of this program rests on several pillars, the most essential of which appears to be the restoration

of market equilibrium by reducing domestic demand. The government intends to discontinue the control of wage increases in 3 years. A decline in real income, a shrinking amount of savings, and a decline in individual consumption all the way through 1992 appear to be guaranteed, because this is to be accompanied by liberalizing prices.

Guarantees of increased supply look much weaker. It is only assumed that "efficiency will improve" and "the economy will be restructured." However, the decline in gross product extends beyond the expiration date of the program, as well as the decline in profitability.

Eliminating the budget deficit is to be accomplished through, among other things, increasing the capacity of the budget. Over the entire period embraced by the program, the proceeds of the budget derived from state enterprises grow faster than the amount of sales of these enterprises. This indicates, sort of in passing, that, despite the changes announced, the budget is still geared to revenues from state enterprises rather than the citizens, as is usually the case in the civilized world.

Yet another conclusion should be drawn from this. Here it is: The issue of "structural changes," indeed, definitely looks like the worst in the program. First, the desire of the government to maintain the possibility of controlling these changes manually is clearly apparent, as if in keeping with "the law on certain conditions for consolidation in the national economy." Second, structural changes in property are to occur on the initiative and under the supervision of the state treasury rather than on the basis of a nongovernmental institution, the National Property Board reporting to the parliament, as the opposition has suggested. Third, making the "antimonopoly organ" a separate organization is, to be sure, suggested; however, once again the issue of its position with regard to the structures of executive authority is forgotten. Meanwhile, this should also be a nongovernmental institution.

I admit that the shadow of the hand of state, present in all instances when the "process of structural changes" is mentioned, is somehow hard to reconcile with the vision of a market economy based on the right of individual property and proceeding from a radical restriction of the size of the state sector.

"Adjustment programs" prescribed by IMF experts to various countries are always similar. They contain a package of measures stimulating the start-up of market mechanisms. These are socially difficult but, as a rule, fruitful steps. The programs implemented by the IMF to date have not lasted longer than 12 to 18 months, and have been applied in market economies to begin with. The program written on the basis of the same scenario for the state economy of the People's Republic of Poland, lasting 36 months, not only has to set the market in motion, but to create it in the first place. In turn, the supervision of this process is to be entrusted to the state authorities. Undoubtedly, these are evolving authorities

removed from the Stalinist prototype. However, have they definitely matured enough for abandoning the interference in the course of economic processes?

I assume that the implementation of the "adjustment program" which is so costly from the point of view of society should bring about a lasting change in the economic system of the state. There is too little indication of this kind of orientation in the government program. Could it be that yet another reform is in store for us?

IV. I have not mentioned above a multitude of specific reservations which the government "adjustment program" entails. For example, it refers to unemployment on many occasions. Nonetheless, it does not go beyond a general provision concerning social aid to the unemployed. It makes no mention of any sources for defraying the cost of programs for retraining employees. The government plans also provide for balancing current payments in 1992. The intention is to achieve this by restricting exports to the CEMA countries. However, there is no mention of the fact that even at the present time difficulties occur in coordinating the structure of mutual trade. Our partners want to import from us ever increasing amounts of consumer goods and less machinery, equipment, and raw materials. For example, we depend on raw material purchases in the USSR. Our needs are growing. How do we intend to restrict our exports which pay for Soviet oil and gas?

Many more examples of such doubts could be given. However, they appear to be of minor significance compared to the general objection—limited influence by the government "adjustment program" on changing the shape of the economic system in the People's Republic of Poland.

In summation, there is a bitter reflection. The new parliament is in session. It is handling important issues: commissions, the president, beatings of demonstrators, indexation, and so forth. I cannot understand why the Citizens Parliamentary Club has not thus far taken up the government "adjustment program." I hope we do not wake up with our hand in the chamber pot.

SOFTLAN President Examines Computer Industry, Market

26000664 Warsaw GAZETA BANKOWA in Polish
No 29, 17-23 Jul 89 p 11

[Interview with Piotr Lacmanski, president, SOFTLAN SA, by Jan Kowski: "The Better One Shall Win"; date and place not given]

[Text] [GAZETA BANKOWA] I have heard that the computer market in Poland is dwindling to nothing. Yet the example of your firm seems to say something entirely different. Last year you succeeded in doubling your sales and winning honors at computer exhibits. This year also. How do you do this?

[Lacmanski] I protest your use of the word "succeeded." SOFTLAN's successes are the result of good developmental strategy. First of all, we do not pursue profits at any price. We fulfill mainly those contracts which, first, we can execute reliably, and second, will develop the firm in the desired direction. Profits, therefore, may be a little lower, but thanks to this I can say with head held high that we will win over the competition by our professionalism. We are constantly expanding our offer and enhancing it with computer materials which are more and more interesting to our customers. That is why we get awards: a certificate of proficiency at last year's "Softarg" in Katowice and this year's "Mikrolaur'89" from the January fairs in Warsaw. At a time when competition is diminishing due to bad operating strategies, when the market, as you noted, is slowly shrinking, these awards make us really happy.

[GAZETA BANKOWA] In short, this is good, but will it always be so?

[Lacmanski] Naturally, we also sometimes stumble. Our mistakes are due mainly to the very fast, perhaps too fast, expansion of our company. It is sufficient to compare sales per employee in our company with other economic units. Furthermore, in 1988 there was a large growth in employment and sales at SOFTLAN, new products were developed, and therefore new organizational problems appeared. However, good teamwork and a good work atmosphere were responsible for the fact that last year was the first full year of operations which brought satisfaction to me as well as to my employees. That, too, is the company's strategy. It is incredibly important and really, not very many companies in the country, not just computer companies, can say that they have it.

[GAZETA BANKOWA] But you will agree that a strategy can be devised by inviting a good outside specialist who will demonstrate everything on paper. But no less important is implementation of that strategy, and that is more difficult.

[Lacmanski] You are taking a mental shortcut, because everything is not so simple and does not come all at once. I began as a craftsman 3 years ago. I soon came to the conclusion that a stock company offers the best opportunities. During this period the strategy that we are now utilizing was also developing. Then the nucleus of a group of workers was formed, which guaranteed that the firm's activities would succeed. Today we have a workforce of over 40 highly qualified people who are ready to fill orders of the highest degree of difficulty. They include programmers, applications specialists, a teletransmission team, and servicing specialists, who service the equipment sold by SOFTLAN. In our firm, 80 percent of the employees have a higher education. I am happy to say that the people employed in the company demonstrate a very high degree of commitment, and what is most important, a great deal of knowledge and comprehension. This is rewarded by a commensurate wage policy. I am very satisfied with the group of people

I work with. It is true that here, too, mistakes are made, but they are principally the result of lack of the necessary preparation in the higher schools for work in enterprises. I am referring primarily to familiarity with the labor code, foreign languages, and the functioning and organization of economic units.

[GAZETA BANKOWA] Therefore, the firm has invested mainly in people, but surely not just in that?

[Lacmanski] Of course not. Technological advancement in electronics is so rapid that a firm which wants to stay at the top must not only make sure that it has a highly skilled staff, it also has to have the equipment to make steady advancement possible. Right now we have 32-bit computer equipment, a XENIX operating system, and an INFORMIX reporting data base. Not many firms in this branch can boast of having equipment of this class.

[GAZETA BANKOWA] To me these names sound like incantations.

[Lacmanski] Indeed, they are intelligible only to specialists. Generally speaking, our offer is comprehensive and covers a complete range of hardware as well as software. Practically, this means that we sell our customers professional computer equipment, programming, and telecommunications equipment.

[GAZETA BANKOWA] Many computer firms have their own specialties. Does SOFTLAN have any?

[Lacmanski] Our market trump card, which has gotten many awards recently and is selling very well, is our product, the ITS-2000 telex computer interface, which replaces the traditional teletypewriter or TWX, and is the intermediary between the telex connection and the computer. This equipment is especially useful in enterprises and institutions which conduct a great deal of telex correspondence. The interface is able to connect up with as many as a hundred subscribers and automatically transmit previously encoded telexes, which is particularly important in international connections. Our second bestseller is the "Wages" program, which due to its modular structure, is resistant—if it can be put that way—to all kinds of changes in the rules governing wages and the legal regulations in this area. It is also adapted to indexation. I want to say that the author of the program

is Andrzej Glowacki, who every day splendidly combines his duties as company representative with his conceptual work.

[GAZETA BANKOWA] I understand from this that your offer is quite specialized. Who, then, are your present customers?

[Lacmanski] Our customer list is long and diverse. Among over 200 customers there are: state enterprises, foreign-trade offices, budgetary organizations, higher and secondary schools, individuals conducting economic activity, and agencies of foreign firms, e.g., Siemens, Philips. A large number of our customers are not just the users of the ITS-2000 telex computer interface or the "Wages" system, but are also users of many of our programs or the computer equipment sold by SOFTLAN. We are now holding talks with the Ministry of Foreign Affairs, which is showing interest in our offer.

[GAZETA BANKOWA] SOFTLAN is located in Poznan but operates throughout the entire country. What do you think—are you winning only because the prices of the services you offer are lower, or are the customers also taking into account the features so highly valued at one time—the Poznan reliability and efficiency?

[Lacmanski] Customers are always looking for the cheapest and best offers. Whether Poznan reliability is worth anything to them, and how much, I do not know. But I do know that in our activities we refer to just these values. In practice this means that the customer is never left alone with his problems and can always count on the quick assistance of our specialists. Our flexibility in solving technical as well as strictly sales problems is also important. For example, depending on the circumstances we use various forms of sales, including commission. We also have a shop in which we sell different goods such as calculators, video and audio cassettes, and cosmetics. We are also looking for new investment opportunities. We will consider practically any market product, with only certain preferences for electronics. But this does not mean that we intend to change our computer image. We plan to affirm our presence on this market by taking part in the "BALTCOM" fairs in Gdansk and in the fall in Moscow at the "ELEKTRONIKA 2000" fairs.

HUNGARY

Bureaucratic Hassle Over Sex Shop Permit Application

25000400c Budapest NEPSZABADSAG in Hungarian
4 Aug 89 p 4

[Article by Zsuzsa Gal: "Sex Shop: 'Your Patience, Please'"]

[Text] Whether there should or should not be one is the question here. A sex shop, that is. Perhaps a pornographic store. Because the two are not the same. We will not attempt to define the difference between the two, in due regard to our adolescent and young readers. Applicants desiring to open such stores also claim to act in consideration of the immature: As long as sex literature and pornographic materials are concentrated in specialized shops, these items will not appear in underpasses exposed to children's eyes. Instead, they will be in shops which persons under 18 years of age cannot enter.

At least this is what the entrepreneurs have in mind. And they do not miss business opportunities implicit in pornographic trade either, and particularly not the extra profit that can be made by the first porno shops. Nevertheless, because the list of permissible trade thus far does not include trading in either video cassettes or auxiliary implements of this kind, the entrepreneurs turned to the Ministry of Commerce.

Sure enough, confusion like never before developed among the authorities. They began shifting dockets—i.e., the applications—from one division to another; it must be first decided, of course, who has authority to utter the rejection or the "yes" that provides happiness. Since the dockets were preceded by their fame, the news that applications were received spread like wildfire in the ministry, and a decision regarding authority and jurisdiction was made with the active help of *tete-a-tete* meetings in corridors.

The authority to decide was given to a division with a long name. From there on, something had to be produced in that division. And voila: Here is the product, the response to one of the applicants:

"Dear Mr Bardos! In regard to your application for the establishment of a sex shop I am informing you as follows. The legal impediment in the way of granting permits to operate a sex shop or an establishment having a similar name and a corresponding scope of business is that Paragraph 272 of the Criminal Code of Laws prescribes penalties for offending public morals by selling, publicly exhibiting, manufacturing, or producing for purposes of public exhibition an object which offends public morals. This criminal act gained legal definition as a result of our international obligations. In regard to the meaning of the term 'public morals' our division has sought advice from the Ministry of Justice, as well as from the Supreme Court and the Supreme State Prosecutor. Until such time that opinions are rendered and the ministry develops a position, I must suspend the licensing procedures in progress. I request your kind patience! Dr Edit Beczkay (signed), division head."

The letter is dated 24 July 1989, two and a half months after the application was submitted (one of the applications, at least, because more than one was received).

Will the applicant's patience produce roses—or rather sex shops? No one can tell, because for the time being the ministry is just gaining time. The above-mentioned tip-top legal offices expressed the simple opinion that public morals will not be offended, as long as the goods offered by the sex shop do not appear in shop windows, but instead can be discretely located.

Accordingly, that certain division finds itself where it was before: It must decide. But it does not. The division found a legal provision which requires the Minister of Commerce to render a personal decision in such matters, whether there should, or should not be a sex shop in Budapest. He happens to be on his regular annual vacation.

Really now, should there or should there not be sex shops? And if there should be no sex shops, for how long should there be no sex shops?

END OF

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